



Evaluation of the EC interventions in the transport sector in third countries

Final Report - Volume 4 – Annexes 7-10

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FRAMEWORK CONTRACT: EVALUATION OF THE EUROPEAN COMMISSION
AID IN PRODUCTIVE SECTORS AND BUDGETARY AREAS

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Evaluation of the EC interventions in the transport sector in third countries

Report of the mission to Tanzania

October 2003

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The views expressed are those of the Consultant and do not represent the official views of the Commission.

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Acronyms and Abbreviations

ACET	Association of Consulting Engineers Tanzania
AfDB	African Development Bank
ATC	Air Tanzania Corporation
AWPB	Annual Work Programme and Budget
COMESA	Common Market for Eastern and Southern Africa
CSP	Country Strategy Paper
CTLA	Central Transport Licensing Authority
DANIDA	Danish International Development Agency
DFID	Department for International Development (UK)
EAC	East African Community
EHU	Equipment Hire Unit
EIB	European Investment Bank
FINNID	Finnish International Development Agency
FY	Financial Year
GoT	Government of Tanzania
GTZ	German Agency for Technical Cooperation
HDM-4	Highway Development and Management, software version 4
IDA	International Development Agency
IGAD	InterGovernmental Authority on Development
IMF	International Monetary Fund
IRP	Integrated Roads Project
JICA	Japan International Cooperation Agency
LBT	Labour-Based Technology
LFA	Logical Framework Approach
MCT	Ministry of Communications and Transport
MoW	Ministry of Works
MTEF	Medium-Term Expenditure Framework
MWCT	Ministry of Works, Communications and Transport
NAO	National Authorising officer
NBC	National Bank of Commerce
NIP	National Indicative Programme
NIT	National Institute of Transport
NMT	Non-Motorised Traffic/Transport
NORAD	Norwegian Agency for Development Cooperation
NRSC	National Road Safety Council
NTP	National Transport Policy

PMP	Ports Modernisation Project
PMU	Project Management Unit
PORALG	President's Office for Regional Administration and Local Government
PRSP	Poverty Reduction Strategy Paper
PSRC	Parastatal Sector Reform Commission
PSV	Public Service Vehicle
RAS	Regional Administration Secretary
REO	Regional Engineer's Office
RFB	Road Fund Board
RIP	Regional Indicative Programme
RMI	Road Management Initiative
RMO	Regional Manager's Office
RRP	Railways Restructuring Project
RSDP	Road Sector Development Programme
RUSIRM	Ruvuma and Southern Iringa Road Maintenance
SADC	Southern African Development Community
SSATP	Sub-Saharan Africa Transport Policy Program
SATCC	Southern Africa Transport and Communications Commission
SDC	Swiss Agency for Development and Cooperation
SIDA	Swedish International Development Agency
TAA	Tanzania Airports Authority
TACECA	Tanzania Civil Engineering Contractors Association
TANROADS	Tanzania National Roads Agency
TARA	Tanzania Roads Association
TATOA	Tanzania Truck Owners' Association
TAZARA	Tanzania-Zambia Railways
TCAA	Tanzania Civil Aviation Authority
10Y-RSDP	Ten-Year Road Sector Development Programme, Phase II
THA	Tanzania Harbours Authority
TRC	Tanzania Railways Corporation
Tsh	Tanzanian shillings
URRP	Urgent Roads Rehabilitation Programme
USAID	United States Agency for International Development
VTTP	Village Travel and Transport Program

1. Introduction

In the framework of the evaluation of the EC interventions in the transport sector in third countries a field mission to Tanzania was carried out from 9 to 20 June 2003.

The work programme included visits to around 30 institutions and stakeholder organisations within the transport sector. A list of people met is available in Annex 1. The programme also included a 3-days field trip to the Southern Iringa region and a short inspection visit to the Wazo Hill – Bagamoyo road.

The *evaluation team* consisted of:

- Patrick Chaussepied, Team Leader;
- Jorgen Kristiansen, Senior Transport Sector Specialist;
- Jacek Walendowski, Junior Evaluation Specialist;
- Immanuel N. Kimambo, Local Transport Sector Specialist.

The present document reports on this mission. In accordance with the methodology developed in the first phase of the evaluation, and accepted by the evaluation unit of EuropeAid, this report is strictly factual. Its purpose is to present the information collected during the field mission, and not to provide an evaluation of EC interventions in the transport sector in Tanzania.

2. The transport sector

The following chapter provides a short description of some main features of the transport sector in Tanzania. The description includes a few statistical key figures, the institutional set-up with an emphasis on the roads sub-sector, the Government of Tanzania's (GoT's) transport policies and programmes, and the donor interventions in the transport sector.

2.1 Main features of the transport sector

The following map indicates the major urban centres, ports, trunk roads, railway lines, and regional boundaries.

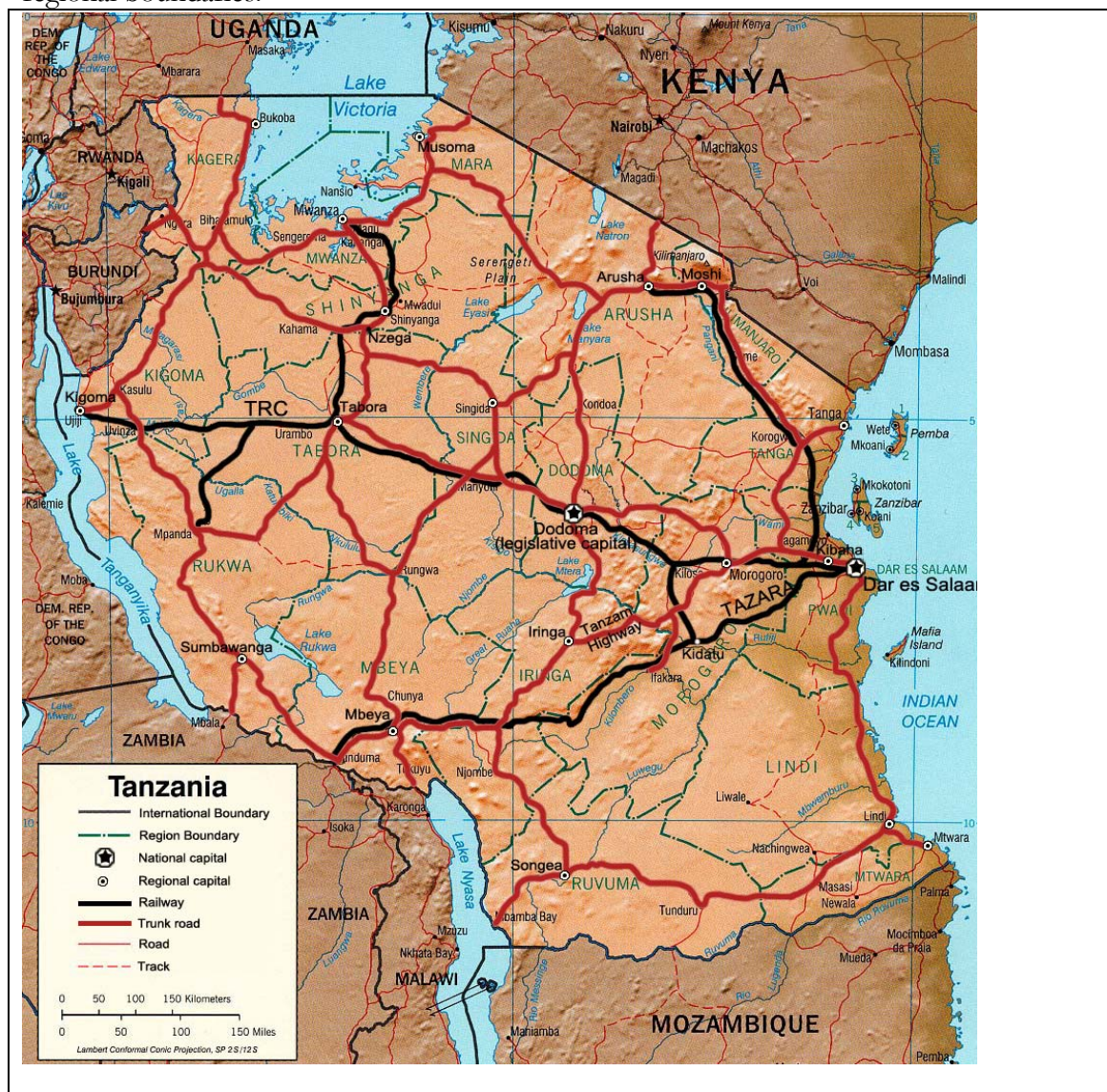


Figure: Overview map of Tanzania (Source: <http://www.lib.utexas.edu/maps>)

2.1.1 Road transport

Road transport is the dominant mode of transport in Tanzania as it represents approximately 70% of freight transport and 90% of passenger transport (*Source: Country Strategy Paper and National Indicative Programme 2001-2007*).

Tanzania comprises a classified road network totalling about 57,000 km. The density of classified roads is about 60 km/1,000 km².

The lengths of paved and unpaved roads and the distribution according to the official road classification - i.e. trunk roads/national roads, regional roads, district roads, urban roads, and unclassified roads (feeder roads) - are presented in the table below. Regional roads, district roads and feeder roads are also called "rural roads".

Road class	Length (Km)		
	Paved	Unpaved	Total
National/Trunk Roads	3,830	6,470	10,300
Regional Roads	100	24,600	24,700
District Roads	30	19,970	20,000
Urban Roads	470	1,980	2,450
Unclassified (feeder) Roads	0	27,550	27,550
Total	4,430	80,570	85,000

(*Source: Ministry of Communications and Transport, 2003: Transport, communications and meteorology sector statistics*)

Trunk roads and urban roads have the highest shares of paved roads representing 37% and 19%, respectively. Less than 1% of the regional and district roads are paved.

The table indicates that trunk roads and regional roads have a total length of 35,000 km, but the Tanzania National Roads Agency (TANROADS), which is in charge of maintaining this network, has records of 28,300 km only (i.e. 8,300 km trunk roads and 20,000 km regional roads). The overall extension of the trunk and regional road networks has not changed much since the 1970s.

According to recent statistics (*Ministry of Communications and Transport, 2003*), presently only 27% of the trunk roads and 7% of regional roads only are in good conditions. The situation of district and feeder roads is still worse with less than 10% of this network in good condition. The estimated conditions of the road network under TANROADS (as of March 2003) is presented in the following table:

	Length (Km)		
	Good (%)	Fair (%)	Poor (%)
Trunk roads	27	29	44
Regional roads	7	41	52

(*Source: Ministry of Communications and Transport, 2003: Transport, communications and meteorology sector statistics*)

There has been a growing trend in the number of annually reported road accidents from 1995 to 2001. A relatively high share of the accidents, i.e. about 40%, occurs in the Dar es Salaam urban area (*NRSC interview, June 2003*).

The number of road transport licenses issued to passenger and goods service vehicles declined from 1996 to 2001, but it has increased again in 2002. However, these figures do not reflect the growing individual car traffic in urban areas and on the rehabilitated parts of the trunk road network.

2.1.2 Rail transport

There are two railway networks, the Tanzania Railways Corporation (TRC) network that represents a total length of 2700 km, and the Tanzania-Zambia Railways (TAZARA) with a total length of 1860 km.

Most of the TRC network was constructed before the outbreak of World War I. The TAZARA railway line from Dar es Salaam to Zambia was constructed during the first half of the 1970s. The gauge (width) of the TRC rail infrastructure is 1.000 meter, against 1.067 meter for the TAZARA railway line. This implies separate rolling stocks and transshipment between the two networks at the Kidatu junction.

The table below presents the development of passenger transport from 1998 to 2002.

Year	TRC passengers ('000)	TAZARA passengers ('000)	Total ('000)
1998	570	1,535	2,105
1999	615	1,422	2,037
2000	631	1,543	2,174
2001	728	1,541	2,269
2002	685	1,069	1,754

(Source: Ministry of Communications and Transport, 2002: *Transport, communications and meteorology sector statistics*.)

From 1998 to 2002, the number of passengers travelling by TRC increased by more than 100,000, whilst TAZARA experienced a sudden and drastic decline of 500,000 passengers from 2001 to 2002.

The recent decline of passengers traffic is partly explainable by an increased competition from road transport. Bus fares are cheaper than 1st class railway, and faster (7 hours from Dar es Salaam to Dodoma against 13 hours by train as the average train speed is only 30 km/h). To increase the speed, an upgrading of the railway infrastructure would be needed at some sections. Besides the buses are becoming increasingly comfortable. The only competitive advantage of the railways is the opportunity for passengers to bring in a large volume of luggage that would not be accepted by buses. Passenger services on the Dar es Salaam - Moshi line have been terminated, and passengers traffic is no longer profitable to the railway company on the Dar es Salaam – Dodoma section.

Freight transport by the railways consists in both domestic and transit cargo. During 1998-2002, the share of domestic freight on the TRC network was 60-70% of the total figure, whilst TAZARA domestic freight fluctuated between 30% and 50% of the total figure. The domestic freight is less significant compared with road haulage, which remains the most dominant mode of transport.

The following table shows the development of freight transport from 1995 to 2002.

Year	TRC freight ('000 tons)	TAZARA freight ('000 tons)	Total freight ('000 tons)
1995	1,342	633	1,975
1996	1,244	663	1,907
1997	1,073	555	1,628
1998	955	632	1,587
1999	1,127	615	1,742
2000	1,165	634	1,799
2001	1,351	595	1,946
2002	1,446	552	1,998

(Source: Ministry of Communications and Transport, 2003: Transport, communications and meteorology sector statistics)

During the period 1995-1998, the TRC annual freight performance declined but the 1995-level was reached again in 2001. TAZARA experienced a drastic downturn from 1993 (1,240,000 tons) to 1994 (640,000 tons). From 1998 to 2001, the TAZARA freight performance declined only slightly and in terms of ton-km, there has been a modest increase.

The main commodities transported by railways are general cargo, fuel and cement. The categories of goods are exports of cotton, tobacco, maize, cement, coconut and imports of petrol, grain, machinery, transit of copper etc. Seasonal fluctuations of the freight traffic are not very high, although there is a peak in traffic during the crop season.

Both railway networks (TRC and TAZARA) are currently preparing for privatisation in the form of concessions.

In 1998, the TRC came under the GoT's privatisation programme. The government has agreed on the principle of giving the operation of the railways on concession for 25 years. Preparations for privatisation of the TRC started in 2000. Consultants were recruited to examine the various options. They recommended a concession of the railway operations to a private operator. Infrastructure would remain state property. The concessionaire would bring in equipment (locomotives, wagons), manage the business and pay to the government a concession fee and a percentage of the revenues generated by the operations. Maintenance of the railway infrastructure will be ensured by the concessionaire whilst heavy repairs and network extension will be undertaken by the government.

The concession for TRC was tendered in 2002, but the tender was unsuccessful. It will be launched again with relaxed conditions and stronger government guarantees given to the concessionaire. GoT now insists that privatisation of operations should be completed by the end of 2004.

TAZARA, the other Tanzanian railway line company, which is jointly owned by the GoT and the Government of Zambia, will also be privatised. The two governments have agreed on a move towards concession and are waiting for a World Bank mission to look into the issue. The World Bank is financing this preparatory phase and consultants will be recruited to analyse the various options and prepare the tendering documents. There is not yet any timetable for the privatisation process.

2.1.3 Inland waterways

There are a number of ferry ports and ferries serving passengers on Lake Victoria, Lake Tanganyika and Lake Nyaza. The annual number of passengers handled by the Marine Service Company (the Marine Division of Tanzania Railways Corporation) has been around 300,000 in recent years.

Freight transport by ferry takes place to some extent between Tanzania and Uganda/Burundi.

2.1.4 Maritime transport

The major seaports serving the Tanzania Mainland are situated at Dar es Salaam, Tanga and Mtwara.

Dar es Salaam is the dominating port. In 2001, the throughput was represented by about 4.5 million tons import and 1 million ton export. It was estimated that 80% of the import was destined to Tanzania and 60% of the export came from Tanzania. Zambia is the main transit exporter. Container transport via Dar es Salaam port has increased notably since 2000.

The freight handling activity level in each of the ports in Tanga and Mtwara has been around 10% or less of the freight volumes for Dar es Salaam port.

The Tanzania Harbours Authority operates the ports of Dar es Salaam, Tanga, and Mtwara, and the minor ports of Kilwa, Lindi and Mafia on the Indian Ocean. The ports in Dar es Salaam, Tanga and Mtwara are envisaged to be leased out to the private sector, but the GoT still has to approve the privatisation strategy.

2.1.5 Aviation

The three international airports in Tanzania are Dar es Salaam, Kilimanjaro and Zanzibar airports. In 2002, the annual throughput figure was 395,000 passengers in Dar es Salaam airport (mainly served by scheduled flights). The Kilimanjaro and Zanzibar airports each served about 100,000 passengers (including a relatively large share of non-scheduled flights).

There are also a number of domestic airports and airstrips, of which Mwanza airport is the largest in terms of passenger traffic volume.

Aviation officials confirmed (*TAA interview, June 2003*) that air fares are much higher in Tanzania than in the neighbouring countries, with the result that tourist traffic to East Africa is diverted to Kenya.

The reforms that took place at the end of the 1990s' included the establishment of the Tanzania Civil Aviation Authority (TCAA) in 1998 and of the Tanzania Airports Authority (TAA) in 1999 as GoT executive agencies. The intention of the GoT was to give more autonomy to all activities that can be carried out by an autonomous agency. These reforms within aviation were supported by the donor DFID.

Before the Tanzania Airports Authority (TAA) was established, there was a Department of Aerodromes in the Ministry of Transport. During some periods the airports were under the Division of Civil Aviation and during other periods under a separate department but airports have always been considered as a distinct entity.

The airports under TAA are presently considered for privatisation, including the Dar es Salaam airport. The container terminal at the Dar es Salaam International Airport has been privatised. The Kilimanjaro International Airport is already managed by a concessionaire, KADCO, which is a private company with the GoT having a 25 % share.

TAA does not receive subsidies from the government, except for the salaries of some staff members which are presently being paid by the government. The TAA has several public service obligations, notably to operate and maintain secondary airports that are not profitable. In fact, only Dar es Salaam Airport and Kilimanjaro Airport have enough traffic to cover their costs.

A main source of revenue of the TAA are the fees paid by the airline companies for landing and parking. 60% of this revenue goes to TAA, 30% to TCAA, and 10% to the Meteorology. The passengers service charge is currently shared with the government, but TAA hopes eventually to keep 100% of it.

The main responsibility of the Tanzania Civil Aviation Authority (TCAA) is the regulation of air traffic, in particular in relation to safety. TCAA inspects all operators of the sector including the airports. It oversees the safety and security measures in the airports, allocates routes to the airline companies, and assists the government to designate the companies that are authorised to operate outside Tanzania. A TCAA Act has been adopted in 2003, authorising TCAA to a fee on all aviation operators.

TCAA will remain a government regulatory body but will give up the provision of services. This has not yet been fully attained, as TCAA is still providing air navigation services (air traffic control), but the latter function could also be made autonomous. In the future a control body at the regional level (SADC) is envisaged to be in charge of air navigation services and control on the main (transit) routes. The airport approach and aerodrome operations will be carried out by the airports.

The national airline is Air Tanzania Corporation (ATC), a former state-owned company which is the main provider of domestic air travel linking all major towns in the country.

The ATC has been partially privatised (49% owned by South Africa Airways). The airlines industry is now completely liberalised. In addition to Air Tanzania, there is another company, Precision Air, and several smaller companies, which struggle to survive, notably on the charter market. There are no subsidies paid (and possibly tendered) to companies for providing minimum transport services to regional airports.

2.2 Institutional set-up

Presently (June 2003), the governmental set-up of the transport sector in Tanzania consists in the following institutions:

- Ministry of Works (MoW);
- Ministry of Communications and Transport (MCT);
- President's Office for Regional Administration and Local Governments (PORALG).

The present separation between the MoW and MCT was introduced in October 1995. Before 1995, MoW and MCT were alternately merged into a single Ministry of Works, Communications and Transport (MWCT) or separated. Both ministries are located in Dar es Salaam. PORALG has its headquarters in Dodoma.

The split of responsibilities implies that MoW is in charge of the national and regional road networks, and PORALG shares with local authorities the responsibility for the district/municipal road networks. The responsibilities of MCT include road transport operations, the remaining transport sub-sectors and general transport policy issues. Water transport infrastructure at the Lakes is the responsibility of MoW but ferry operations on the Lakes belong to the MCT.

2.2.1 Ministry of Works (MoW)

In brief, the MoW is responsible for determining and maintaining the policy framework for the road infrastructure sub-sector and the functional boundaries within which the national roads agency operates (see about TANROADS below).

Based on recommendations presented in 1998 by a Joint GoT/Donor Working Group, the role of the MoW has been redefined. Following the institutional reform, notably the establishment of the new Road Fund and of the Tanzania National Roads Agency (TANROADS), the MoW is intended to focus on policy formulation, strategic planning, human resource development and regulatory issues. The MoW is presently undergoing a restructuring and is moving slowly (some would say reluctantly) towards this policy, planning and regulatory function. However, the MoW lacks key persons to drive the transition.

In accordance with the road sector reform, the road agency is in charge of all financial and technical issues related to road project management and implementation. The MoW is responsible for the general direction of TANROADS and the overall accountability to the Parliament. Furthermore, the Minister of Works shall be consulted by the Permanent

Secretary of the MoW on matters relating to the strategic management of TANROADS, and by the Chief Executive of TANROADS on operational matters that could give rise to significant parliamentary concern. However, for the time being, the MoW is also doing road project management and implementation of several GoT and donor funded road projects as a contracting authority parallel to TANROADS. According to a written status of road sector reform (MoW, 2002), the implementation of special trunk road projects funded by the GoT (469 km) still has to be managed by the MoW.

2.2.2 Ministry of Communications and Transport (MCT)

The MCT is dealing with overall national transport policy issues. Thus the MCT is responsible for all aspects of policy formulation covering the transport sector as a whole and the broad strategic goals for the sector. The MCT is not involved in road infrastructure project implementation except if a policy issue is raised that belongs to its field of competence.

The responsibility of MCT includes road transport operations i.e. traffic on the roads. The labour division and split of responsibilities between the MCT and the MoW is still unclear when it comes to road transport policy issues, safety and intermodal transport.

Concerning a possible merge of MoW and MCT into one ministry, the view of TANROADS officials is that one ministry only would be appropriate but having two ministries is not considered a problem as long as a common policy is clearly stated and the two ministries complement each other. Co-ordinating meetings take place between the ministries from time to time.

2.2.3 President's Office for Regional Administration and Local Government (PORALG)

Tanzania is subdivided into 21 administrative regions under the central government. The 121 districts and the municipalities are ruled by local governments. The Presidents' Office for Regional Administration and Local Governments (PORALG) is responsible for assisting and supervising local authorities, notably for the management of the district, urban and feeder roads (about 50,000 km in total). PORALG has the status of a ministry and there is a minister appointed in the President's Office. Often PORALG is referred to as the "Ministry for Regional Administration and Local Governments".

PORALG has to coordinate all local government authorities in the various sectors and is also responsible for the monitoring and use of resources. Between PORALG and the District Councils, the GoT has established an office of the Regional Administration Secretary (RAS) for each of Tanzania's 21 regions. The regional secretary is normally responsible for 4 to 6 districts.

2.2.4 The road sector reform process and institutions

Besides the three ministries mentioned above, the following institutions are of particular importance to the roads sub-sector:

- The Road Fund and Road Fund Board (RFB).
- Tanzania National Roads Agency (TANROADS).
- The National Road Safety Council (NRSC).

The ongoing road sector reform process is based on the SSATP Protocol from 1997 and the SADC Roads Act model. Due to donor assistance, and with the EC as a key player, significant achievements have been demonstrated since 1995. Several donors appreciate that the institutional reform process in the roads sector in Tanzania has come a long way, even seen in an international perspective (*TØI, 2002*). Substantial progress has been made, particularly since TANROADS started operating in autumn 2000.

During the 1980s, the road network in Tanzania deteriorated severely due to under-funding of maintenance works. Tanzania was one of the first countries to adopt, already in 1987, the principles of the SSATP Road Management/Maintenance Initiative (RMI) in developing maintenance management and related financing policies. The first RMI seminar in Tanzania was organised by the World Bank in May 1989. This had a significant impact on the subsequent steps taken by the RMI and some of the proposed reforms were embodied in the Integrated Roads Project programme (see below § 2.3.1).

The initial Road Fund established in the early 1990s was not very successful. The Declaration / Parliamentary Resolution proved to be an insufficient legal basis to ensure that the collected revenue was allocated to road maintenance. A Central Roads Board was created through an Order of the Minister of Works in December 1993 under the Highways Ordinance. The Central Roads Board was constituted at the end of 1994 and the first meeting took place on 31 January 1995. The Board was advisory and one of its mandates was to oversee the functioning of the Road Fund. However, the legal basis and administrative structure to support the Road Fund were weak, and the Central Roads Board failed to meet regularly. As a result, the envisaged revenue was not realised as from 1995/96 because the Ministry of Finance diverted the funds to other uses.

The process of institutional reforms in the roads sector in Tanzania was supported by studies since 1995. A key recommendation of a study carried out (by Coopers and Lybrand) in 1994 was to establish the Road Fund by an Act of Parliament. The aim of such an Act was to provide an effective legal force for channelling funds to the roads sector and road maintenance.

In 1997, the Government of Tanzania (GoT) commissioned another institutional study to identify areas requiring further reforms, in order to improve the performance in the roads sector. The Final Report submitted by the Joint GoT/Donor Working Group to the Government in September 1998 confirmed the need for establishment of a dedicated Road Fund and a National Roads Agency.

Based on the study recommendations, in 1997/98 the GoT adopted a number of decisions on institutional reforming and financial mechanisms in the roads sector. The recent reforms include:

- the establishment of the Road Fund dedicated to maintenance and funded from fuel levy and other road user taxes;
- the establishment of a semi-autonomous National Roads Agency (TANROADS) in charge of implementing roads development, rehabilitation and maintenance by using private sector contractors and consultants; and
- the decentralisation of management of district roads to the District Councils.

In the context of the above, it is unlikely that such reforms would have taken place without the significant assistance that Tanzania has received from the EC, international agencies and bilateral donors.

2.2.5 Road Fund Board and Road Fund

The Parliament enacted the Roads Tolls (Amendment) Act No. 2 of December 1998 based on the Roads Tolls Act No. 13 of 1985. The amended Roads Tolls Act gave full autonomy to the Road Fund in its second-generation form and secured 90% of its revenue for maintenance and emergency repairs. The new Act also established the Road Fund Board (RFB) to manage and control the Road Fund financial resources.

The RFB has nine members, including the Chairperson appointed by the President, the Permanent Secretaries from the Ministry of Finance, MoW, and PORALG, a top-official from MoW, and four members from the private sector. The representative from the Truck Owners' Association (TATO) is presently the Vice-Chairman. The other private sector members are from the Confederation of Co-operatives, the Association of Tour Operators, and the Tanzania Roads Association (TARA).

In summary, the main responsibilities of the RFB are the following:

- to ensure full collection of the Road Fund revenues;
- to monitor the use of funds by TANROADS, the MoW, PORALG, and local governments;
- to advise the Government on adjustments to the existing sources of funding e.g. road tolls and other road users charges including the fuel levy, transit fees, heavy vehicle licences, vehicle overloading fines, and propose new ones;
- to ensure adequate and stable flow of funds to road infrastructure operations.

With regards to the financing distribution key of the Road Fund, at least 90% of the collected monies shall be used for maintenance and emergency repairs of classified roads, and not more than 10% for roads development. 70% of the funds collected by the Road Fund shall go to the MoW and TANROADS for trunk roads and regional roads, and 30% to the local governments and PORALG for district and urban roads. According to the Roads Tolls (Amendment) Act of 1998, TANROADS receives minimum 63% of the funds and accordingly a maximum of 7% is channelled to the MoW. Local governments receive minimum 27% and PORALG maximum 3% (*Source: The TANROADS Establishment Order, 2000*).

The funds allocated to local governments are distributed according to a formula (including variables such as length of road network, population etc. of the district). Presently 113 District and Municipal Councils submit their programme to PORALG for comments and approval. The City of Dar es Salaam is divided into three municipalities that are responsible for the urban road networks and receive money from the Road Fund. The RFB monitors the flow of funds to road infrastructure operations and it is therefore in the position to stop the payments in case the District Councils do not submit the reports.

All interlocutors of the mission team, road user associations as well as ministerial officers, stressed that there is much transparency and accountability (including publicising in newspapers) in the management of the Road Fund. It is also considered a significant improvement that the Road Fund provides the monies for maintenance of the road network, and that "ring-fencing" has been introduced in its revenues. Funding figures have increased significantly although they are still not matching the overall rehabilitation and maintenance needs.

2.2.6 TANROADS

The Tanzania National Roads Agency (TANROADS) was established in July 2000 under the Executive Agencies Act of 1997. The primary responsibility of TANROADS is to provide cost-effective and sustainable maintenance and development of the national and regional roads. Its day-to-day activities include procurement and management of contracts for design and supervision, maintenance, emergency repairs, rehabilitation, upgrading and construction of roads, improvement of road safety and advice to the Minister of Works on regulations and standards for road works.

TANROADS started operating in October 2000. During a 16 months transition period, it took over former staff from the MoW and recruited its own key staff, following a thorough job analysis and evaluation. TANROADS has acquired its own office facilities, has trained the staff and established a management system. The organisation is now (June 2003) considered fully operational and starts having a positive impact on the roads conditions. Until April 2002, 18 GoT and donor funded projects had been transferred to TANROADS.

The present status of TANROADS is considered as semi-autonomous only¹, due to its managerial relations with the MoW. The TANROADS' Board - i.e. the "Central Roads Board" - consists of the same members as the RFB, including the four representatives from the private sector but the Chairman of the TANROADS Board is the Permanent Secretary of the MoW. The Central Roads Board (called the "National Roads Board" in the latest version of the new Roads Act proposal) has a ministerial secretariat separated from the RFB administration.

TANROADS is being assigned two performance agreements every year:

- 1) With the Permanent Secretary of the MoW on rehabilitation, etc.
- 2) With the RFB on maintenance.

¹ SSATP website: RMI Matrix: Policy Reform Status by Country (March 2003).

The agreement between the MoW and TANROADS constitutes a contract for the latter to provide management services related to projects funded by the GoT and donors. The agreement between the RFB and TANROADS constitutes a contract for the latter to provide maintenance services funded by the Road Fund on the mainland's trunk and regional road network.

2.2.7 Regional and district levels

A Regional Roads Board has been established in each of the regions. The regional board makes proposals for the roads, including district roads, to be maintained. It may also recommend that some district roads are up-graded to regional roads. Members of the Regional Roads Board are the District Commissioner appointed by the central government, the district road engineers, and the administrative secretaries of the District Councils. At the regional level there is also a road planning commission that involves several stakeholders.

TANROADS has an office in each region, the Regional Manager's Office (RMO)², as the agency is in charge of both national (trunk) roads and the regional roads. The RMO has to coordinate and monitor road maintenance and rehabilitation at the regional level. It also provides advice to local authorities as regards the management of district, urban and feeder roads. The RMO is staffed by one regional manager, one project manager, one accountant, and technical assistants and supervisors.

The RMO reports on the road conditions, and the priorities and selection of projects are discussed between the stakeholders in the Regional Roads Board before requests for funding is being submitted to TANROADS.

District roads and urban roads are under the responsibility of the local governments i.e. the District and Municipality Councils (see under PORALG). Maintenance of this network is financed by the Road Fund, possibly complemented by the District's own revenues. The MoW has suggested a separate TANROADS administration for the districts, but other stakeholders are in favour of TANROADS acting only as a kind of consultancy agency for the local governments and for PORALG.

The District Committee is strictly an administrative GoT set-up and has a small office. Each District Committee oversees four to six District Councils. The District Committee includes representatives from the central government, local government and the private sector. The Committee discusses what also has to be initiated in the roads sector.

Currently there is an engineer employed in about 80 out of the 121 District Councils. The road office administration in each district is supposed to have an engineer but it is difficult to keep them as government salaries are very low compared to the private sector.

² Formerly the Regional Engineer's Office (REO) under MoW

The Road Fund monies to the local governments are transferred via the National Bank of Commerce (NBC) to the office of the Micro Finance Bank in each district. This takes some time but delays are not perceived to be very significant.

2.2.8 National Road Safety Council (NRSC)

The NRSC of Tanzania was established by the Act No. 30 of Parliament in 1973. The Road Traffic Act No. 5 and the NRSC regulations define its functions.

NRSC is the overall body responsible for law enforcement relating to road safety matters. The role of the NRSC is to advise the GoT on road safety issues, to define measures to be taken and pursue implementation of initiatives through the Members of the Council. More specifically, NRSC activities include monitoring, preparing studies, conducting training, and making proposals to improve road safety. The Council is also committed in safety campaigns across the country. Each year, it prepares annual campaigns including a countrywide road safety week held in one of the regions of the country.

The Regional Commissioner of Dar es Salaam is Chairman of the NRSC. The MoW, the National Institute of Transport (NIT), TANROADS and the traffic police (among others) are represented in the NRSC. The NRSC has established some advisory committees, e.g. on education of the public stakeholders, on research and studies, on road accidents and on better use of the roads.

The Chief Executive of TANROADS is among the NRSC members but still the role and involvement of TANROADS remain to be clarified.

All regions have got a separate Road Safety Committee, which enables regions to make sure that all relevant stakeholders are represented (education, health sector, road users, etc.). The TANROADS regional manager is member of both the Regional Roads Board and the regional Road Safety Committee.

District level road safety committees are being established as well. Guidelines for these committees have been issued, which the NRSC considers as an important achievement.

2.2.9 Further institutional development in the road sector

A major concern is the present division of transport sector responsibilities between two ministries (MoW and MCT) apart from PORALG. The involvement of two or three ministries makes it difficult to ensure the implementation of coordinated transport policies at the national level. This affects the enhancement of such issues as e.g. road safety and a sector approach to institutional reform, and multimodal and inter-modal transport solutions.

Several stakeholders now consider that it is important to end up with a single ministry being responsible for all transport sector matters at the national level. A single "Ministry of Transport" could also be considered as a precondition for a sustainable and GoT committed completion of the road sector reforms. Under the present institutional

framework, the development of TANROADS to a fully autonomous agency in charge of the management of all road works would leave the MoW with a scope of responsibilities confined to road infrastructure policy and regulation.

Another major concern is the present proposal for a new Roads Act. On 15 May 2003, the GoT circulated to donors a draft Roads Act document asking for comments and views until the end of June 2003³.

According to the assessment of the EC Delegation, this document does not state a clear and transparent role of TANROADS in relation to the MoW and the RFB. It would reverse the development of TANROADS to an autonomous agency and a lot of the ongoing positive changes, as it gives more power to the MoW and the RFB at the expense of TANROADS. This reflects an attempt of the MoW to get back some power on the management of road works.

The first phase of the institutional road sector reform is more or less implemented. However, the Delegation and the EC technical assistance (TA) team to TANROADS fear that the second phase will not take off if the present version of the Roads Act proposal is implemented.

2.3 Government's transport policies, strategies, and programmes

2.3.1 Letter of Transport Policy and the National Transport Policy document

The actual process of policy formulation and elaboration of the transport sector strategic plan was developed within the framework of Annual Transport Policy and Planning Workshops joining the various stakeholders of transport, including donors. The first workshop in 1995 defined the roles to be played by various stakeholders in policy formulation, management and implementation issues. The second workshop held in 1996 reviewed the policy and regulatory framework since 1987, discussing strengths, weaknesses, achievements and future policy directions for each sub-sector. The recommendations from the two workshops formed the basis for a review of the National Transport Policy (NTP) document from 1987 and preparation in 1999 of the Working Paper on a NTP.

The preparation of the “Integrated Roads Project” - IRP (see below § 2.3.2) as a multi-donor programme started in 1987. In 1994, the Ministry of Works, Communications and Transport submitted a written presentation of the IRP programme together with a GoT “Letter of Transport Sector Policy” that had been sent to the World Bank in March 1994. The purpose of this policy letter was *“to confirm our transport sector policies, strategies and programs of actions which will provide the basis for the execution of the proposed second Integrated Roads Project”*.

³ The letter enclosing a draft of the Roads Act was sent to the World Bank, African Development Bank, Norwegian Agency for Development Cooperation, Embassy of Ireland, EC Delegation, Swiss Agency for Development and Cooperation, Japan International Cooperation Agency, and the Embassy of Italy. A previous draft version was circulated end-2002 to the donors, but these have not been involved in the elaboration of this key reform document.

The policy letter from 1994 identified the following objectives:

- to create an environment for fair competition among operators;
- to remove operating functions from the Ministry;
- to ensure that the parastatal function as commercial entities and are eventually privatised.

The letter also stressed that the Ministry of Works and the Ministry of Communications and Transport had been merged in October 1993 into one ministry in order to strengthen the administrative capacity. However, already in 1995 this ministry was split again into the present two ministries (MoW and MCT).

The policy letter pointed out that the GoT was commissioning some short studies aimed at restructuring the transport sector with the view of separating policy making and regulatory functions from implementation. Main candidates for this separation were identified to be the management of roads, for which the establishment of a semi-autonomous roads agency was already under consideration, and the management of airports. As part of the first step the GoT announced the formation of a Central Roads Board and Regional Roads Boards.

The policy letter further envisaged starting preparations to commercialise port and maritime operations and to implement the “Open Skies” policy in aviation. In the railways sub-sector, agreements had been signed with the TRC and TAZARA, allowing them to operate on a commercial basis.

In the road infrastructure sub-sector, the letter stated the GoT commitment to increase the participation of competitive local consultants and contractors in the design and implementation of roads and bridges. It also confirmed commitment to increase the private sector contractors’ share of maintenance works and to reduce the force account share. Furthermore, the GoT promised to encourage the development and use of labour-based methods.

Finally, the policy letter stated that the GoT is committed to road safety and axle load control enforcement programmes in accordance with the SATCC agreements but it did not elaborate anything on the road safety issue.

In 1999, the GoT, through the Ministry of Communications and Transport (MCT), presented a “Working Paper on National Transport Policy” (MCT, 1999). The Working Paper confirmed the intentions expressed in the Letter of Transport Sector Policy from 1994 to remain with executive agencies to utilise the private sector and to limit the Ministry’s functions to policy formulation, strategic planning, monitoring and evaluation. The main functions to be separated from ministerial responsibility were still identified to be the management of roads and airports.

In the Working Paper, which presented an inventory including all modes and a SWOT analysis, the GoT expressed the intention to produce and elaborate a comprehensive National Transport Policy document, which was eventually released in March/April 2003.

The NTP document introduces the “vision”:

“To have efficient and cost-effective domestic and international transport services to all segments of the population and sectors of the national economy with maximum safety and minimum environmental degradation” (MCT, 2003).

The NTP document is a sort of “White Paper” that presents the status (inventory) of transport infrastructure and services. The document includes a presentation of the role of transport in the national socio-economic development, specific transport sector objectives and policy directions within urban, rural, pan-territorial and international transport.

The role of the transport sector in socio-economic development also refers to its links to the national Poverty Reduction Strategy. The section on transport sector objectives and goals provides a list of measures to ensure a comprehensive transport policy, including institutional arrangements and capacity building, private sector participation, involvement of stakeholders and the use of local capacities, environmental management and impact assessment, and safety/security.

The NTP document is outlining the major transport policy and planning issues. However, in its present form it does not represent a coherent and GoT committed transport policy strategy. The document still has to be complemented by the identification of priorities, time scheduling, and action and investment programmes. This would imply, in particular, a close cooperation between the MTC and the MoW.

2.3.2 Roads sector programmes

The Integrated Roads Project (IRP) was initiated by the Government of Tanzania (GoT) in 1987. To reverse the situation created by years of insufficient maintenance, a group of donors funded a first phase Integrated Roads Project (IRP1) programme. IRP was negotiated between the government and donors from 1987 until 1989, for a total cost of US\$ 871 million and with each donor financing a particular component of the project. The programme was formally launched in March 1991 and was scheduled to be completed in 1994/1995. The overall outcome of this programme has been a substantial improvement of the road network, although much remains to be done as demonstrated by the figures on the current condition of the road network presented above (§ 2.1.1).

With the aim to follow up the positive general outcome of the IRP1 programme, the government agreed upon a meeting with donors in October 1993 to discuss proposals to be financed under a second phase of the IRP programme (IRP2). The total cost of IRP2 was estimated at US\$ 650 million (*Source: World Bank, 1994: Staff Appraisal Report Second Integrated Roads Project*). The IRP2 started in 1994 with a targeted completion in 1999/2000. It focused on strengthening road administration and improving the financing to enhance the sustainability of road maintenance.

For various reasons, there were implementation problems for some of the components of IRP1 and IRP2 and hence the programme has been delayed considerably. The IDA (World Bank) component of IRP1 was closed in 1999, but the two EC supported projects, the

Wazo Hill – Bagamoyo road and the Mwanza roads, were not yet completed by mid-2003. Completion of IRP2 is expected to go several years beyond 2002.

The importance of both IRP1 and IRP2 is that they have not only involved donor financial assistance but they have also promoted institutional, technical and financial reforms at the Government and private sector levels.

2.3.3 Future programmes

The GoT has decided to launch a Ten-Year Road Sector Development Programme, Phase II (10Y-RSDP). In 2000, the MoW commissioned a consultant to prepare the programme, and the Final Report was issued in January 2002. The scope of the 10Y-RSDP includes roads, bridges and ferries for the whole classified network of Tanzania Mainland and Zanzibar and the programme shall cover the period from 2001/2002 to 2010/2011. The Urgent Roads Rehabilitation Programme (URRP) is a component of the 10Y-RSDP.

It was advocated by the TANROADS technical assistance team that TANROADS' specific programmes are not following the 10Y-RSDP and donor commitments deviate much from it as well. The current TANROADS 5-years plan is based on actual commitments. 50% of the budget of this plan is covered by firm commitments, 20% by firm donor interest and only 30% is still not covered. Most projects within the main trunk road corridors have a reasonable rate of return but it is a political decision to spread road infrastructure investments more evenly in the country.

In the next five years, almost 78% of the budget (including Road Fund, GoT and donor contributions) will be dedicated to development (including rehabilitation and reconstruction) and 22% to maintenance (*Source: the TANROADS Quarterly Report January-March 2003*). 25% (1,000 km) of the paved roads will be rehabilitated/reconstructed.

Under the 2001/2002 annual budget, the GoT allocated Tsh 24 billion (240 million €) for rural roads, and Tsh 157 billion (1,57 million €) for trunk roads. This is about 24% of the overall total expenditure of Tsh 762 billion (7,62 million €) in the priority sectors, including education, health, water, agriculture, lands, roads, judiciary and the Government Agency to co-ordinate AIDS related interventions (TACAIDS)⁴. The estimated costing of the roads programme for 2002/2003 and 2003/2004 are Tsh 260 billion (2,60 million €) and Tsh 287 billion (2,87 million €) respectively (*Source: Government of Tanzania, 2001: PRSP Progress Report 2000/01, pp 32*). The substantial increases under the GoT budget projections for the years 2002/2003 and 2003/2004 reflect the estimated costs in carrying out needed repairs and rehabilitation of district and other rural roads.

2.3.4 Poverty Reduction Strategy Paper (PRSP)

The final version of the PRSP for Tanzania is dated October 2000. The PRSP is central to donors and the key development policy document, which states poverty alleviation as the

⁴ IMF (2003), Tanzania: Selected Issues and Statistical Appendix.

basic principle. In relation to the transport sector, the PRSP focus and priority is on rural roads, whilst other transport sector aspects are not addressed. However, the PRSP Progress Report issued in 2001 also refers to continued efforts during 2000/2001 to strengthen the economic infrastructure, including through privatisation, approval of regulatory frameworks and the establishment of TANROADS.

Currently, there is a debate between the GoT and donors on the PRSP priorities and on the support to bring at the sector level (education, transport, etc.).

Some bilateral donor representatives pointed out to the mission team that the PRSP section on infrastructure and roads, and on their links to agriculture, is rather weak. There is a lack of local government power and no policy regarding rural roads and the responsibilities are not clearly defined at the district level. The rural roads projects to be financed by donors will not be sustainable as long as there is not a clear and adequate policy framework in place.

The MoW makes the rehabilitating of inter-regional connections by trunk roads its priority and does not pay much attention to the PRSP and rural roads. Several stakeholders have suggested that the PRSP should also address trunk roads and define the balance and priorities between the two levels of roads.

The MoW and TANROADS officials noted that it is not clear how the PRSP priority on rural roads is related to the Integrated Roads Project (IRP) as a multi-donor programme and to the national Ten-Year Road Sector Development Programme (10Y-RSDP). More generally, the prioritisation of projects raises a lot of questions and the dialogue with the GoT is not easy and needs to be built up. MoW is initiating the drafting of Terms of Reference for a study showing how the 10Y-RSDP should be linked to the Poverty Reduction Strategy.

A MCT official expressed that the PRSP document completely ignores and forgets about modal complementarity and interdependency aspects. It becomes problematic if all donors continue focusing on roads only. The GoT's decisions reflect a higher-level lack of understanding of the important role of the overall transport sector in socio-economic development.

2.4 Donors' interventions in the transport sector

Numerous donors have been involved in the financing of transport in Tanzania, the most important contributions having been made by the EC and the World Bank.

During the period between 1995 and 2001, the World Banks' interventions targeted various modes of transport, ranking from roads rehabilitation to the modernisation of ports and railways. The World Bank has continued to be involved in sector policy dialogue with the GoT.

The major transport sector projects and programmes financed by the World Bank can be summarised as follows:

- Railways Restructuring Project, 1993-1997, US\$ 76.0 million (status: closed);
- Integrated Roads Project (IRP1), 1990-1999, US\$ 180.4 million (status: closed);
- Second Integrated Roads Project (IRP2), 1994-2004, US\$ 170.2 million (status: active);
- Second Port Modernisation Project (ports, waterways and shipping), 1990-2000, US\$ 37.0 million (status: closed).

A key objective of the World Bank contribution to IRP2 is to support the country's economic recovery by reducing the transport costs and improving accessibility to economically productive areas. More particularly, the programme supports rehabilitation and maintenance of high priority trunk, regional and essential district road networks. Next, it is designed to facilitate policy and institutional reforms to improve the aspects of administration, management and financing. Under IRP2, a pilot programme is being run on the Tanzania Village Travel and Transport Program (VTTP). Finally, IRP2 aims to improve the runway at Kilimanjaro International Airport, securing the safety conditions of the services provided.

A particular donor focus has been devoted to rehabilitation of the trunk roads, notably the Tanzam Highway and the Central Corridor roads. Besides the World Bank and the EC, other major donors for trunk roads rehabilitation are the African Development Bank (AfDB), NORAD, DANIDA, SDC (Swiss Agency for Development and Cooperation), and JICA (Japan International Cooperation Agency).

In the area of rural roads rehabilitation, the major donors have been the USAID (through an agriculture transport programme), NORAD, FINNIDA, DANIDA, SDC and GTZ. The bilateral donors DANIDA and SDC plan to withdraw from the trunk roads support and to concentrate in the future on the rural roads sector.

The EC is considered as a key donor player in the road sector reform process. The common donor approach of the EC and World Bank is based on the four so-called "Building Blocks" of the SSATP Road Management Initiative (RFB, 2002; *EC Delegation, 2002*). These "building blocks" consist in:

- 1) Involving the road users in funding and management.
- 2) Securing an adequate and stable flow of funds based on road user charges.
- 3) Clarifying who is responsible for what and ensuring a matching authority.
- 4) Strengthening the road management by introducing sound business practices.

Presently, the EC is providing technical assistance to TANROADS and starting the technical assistance to the RFB as well. The World Bank's technical assistance unit within TANROADS has been staffed with four road sector specialists in 2003.

DFID and NORAD have also provided institutional support, notably for the establishment of TANROADS. NORAD employed the first Chief Executive and envisages a continuation of its support to the agency.

3. EC interventions in the transport sector

This chapter presents the EC cooperation strategy for Tanzania in relation to the transport sector and an overview of EC interventions in the sector during 1995-2001. The follow-up under EDF 9 is also discussed.

3.1 The EC cooperation strategy and the role of transport

The National Indicative Programme (NIP) for EDF 7 identified the transport sector and agriculture as the two first priority areas of the EC cooperation with Tanzania (*Source: EC Delegation, Annual Report 1998-1999*).

The Annual Report of the EC Delegation for the year 1996 (AR 1996) noted that the GoT has committed itself to major policy changes, restructuring and investment in the transport sector, comprising the Integrated Roads Project (IRP), the Railways Restructuring Project and the Ports Modernisation Project. The GoT has undertaken a number of measures to strengthen the roads sector institutional and financial capacity. These included: strengthening of the Ministry of Works, Communications and Transport (MWCT) and the 20 Regional Engineers Offices, introduction of a Road Fund based on fuel levy, contracting out of road maintenance to the private sector, and the establishment of the Central Roads Board and Regional Roads Boards to advise the MWCT. However, AR 1996 also noted that a particular worry was the use of dedicated road funds for other purposes than road maintenance and the corruption identified in the former MoW.

The Co-operation Agreement for the NIP of EDF 8 was signed in March 1997. The overall goal of this NIP was the promotion of sustainable economic growth with particular attention to improving the welfare of the poorest sections of society. The cooperation was based on the following priorities:

- The development and consolidation of democracy and of the rule of law.
- The alleviation of poverty.
- Sustainable economic and social development, with particular stress on the development of the gender dimension of human resources development and on environmental protection.
- Integration into the world economy, in particular through the promotion of the private sector and the development of trade.

Again the transport sector was appointed as one of the two focal sectors of cooperation, in this case together with social infrastructure and services. The NIP of EDF 8 allocated approximately 50% of the total NIP budget of Euro 240 million to the transport sector including roads, railways, ports and related services (*Source: EC/GoT, March 1997: National Indicative Programme EDF VIII*). The main specific objectives of support to the transport sector under EDF 8 were presented as follows:

- (a) The improvement of sector management.
- (b) The sustainable improvement of the condition of transport infrastructure.
- (c) Increased earnings from international transport services.
- (d) An increased role for the private sector.
- (e) A reduction in environmental damage arising from transport-related activities.

The NIP of EDF 8 referred to the policies adopted in the IRP as still being pursued. The NIP also noted that the GoT has committed itself under the NIP framework:

“to take a wide range of measures in the next three years, of which the most crucial ones are: the progressive increase of road maintenance funding in line with IRP targets, the enactment of an autonomous Road Fund with resources separate from the overall budget, and the finalisation of a Strategic Transport Plan. Moreover, the Government of Tanzania is aware of the need to strengthen management throughout the sector and is committed to create autonomous authorities to manage the main road network and the airports, while private participation in the development of the sector will continue to be encouraged” (National Indicative Programme EDF VIII, pp. 4).

The NIP of EDF 8 noted that in the regional context the GoT is committed to promote cross-border trade flows, including through the harmonisation of procedures for customs clearance and border controls.

The Regional Indicative Programme (RIP) for the East Africa region under EDF 7 allocated funds to the Central Corridor Railway Restructuring Project and to the Musoma-Mukuyu road between Tanzania and Kenya (*Source: Annual Report 1996 on Regional Co-operation with the East Africa region*).

The RIP for SADC under EDF 8 allocated 45% of the total budget of Euro 121 million to “Infrastructure and Services” including transport, communications and energy. The RIP for Eastern Africa under EDF 8 allocated 75% of the total budget of Euro 194 million to “Transport, trade and regional integration”, notably the Central Corridor transport route. The regional organisations identified under the Eastern Africa RIP are COMESA, EAC and IGAD.

The Delegation advisors confirmed to the mission team that over the last few years the main focus of the transport policy has been on the roads sub-sector. There are only bits and pieces of interventions in other transport sub-sectors, notably the restructuring and privatisation of the railways (TRC).

3.2 Overview of EC interventions in the transport sector 1995-2001

The following table presents an overview of the main areas and budget figures of EC transport sector interventions planned and contracted during the period 1995-2001. The aggregated budget figures are based on data from the CRIS database and some of them, particularly the contracted budget figures, may not be updated. They do not include interventions under EDF 6. The implementation of several of the EDF 7 funded interventions and the EDF 8 funded interventions in particular goes beyond 2001.

All budget figures are EDF funded grants, except for the Euro 12,8 million EIB loan to aviation.

The figures in brackets are from an overview of EDF 7 and EDF 8 budget figures presented on the EC website.

Main intervention area	Types of intervention		Planned budget		Contracted Budget	
			<i>Million Euro</i>		<i>Million Euro</i>	
			NIP (NIP+RIP)	RIP	NIP	RIP
Road sector institutional development	Technical assistance and studies		2,9 (2)	0	2,2	-
Central Corridor roads rehabilitation	Works, supervision and design	Mwanza-Nzega road	22.3 (42)	20	0,6	?
		Other roads	65.4 (85)	20		
Other trunk roads rehabilitation	Studies, design, supervision and works		18,1 (17)	-	18,0	-
Mwanza roads rehabilitation	Design, supervision, works, and study		32,5 (35)	3.0	27,2	?
RUSIRM	Technical assistance, design, supervision and works		22,0 (21,8)	-	13,4	-
Railways (TRC restructuring)	Works, procurement and studies		19,9 (34,1)	14.5	19,9	?
Dar es Salaam Port	Mainly works		11,0	-	11,0	-
Zanzibar Port	Studies and works		12,4	-	1,3	-
Aviation	Mainly equipment procurement		40 (NIP+EIB)	-	25,9	-

(Sources: CRIS; <http://europa.eu.int/comm/development>)

RIP funding contributions to transport sector interventions in Tanzania include Euro 40 million to Central Corridor roads rehabilitation, Euro 3 million to Mwanza roads rehabilitation, and Euro 14.5 million to the Railways. In addition to the budget figures and interventions listed above, other resources benefited to the transport sector:

- A Euro 6.96 million grant to the Emergency (El Nino) Road Repair Programme; and

- EC grants to transport infrastructure under the special programme for refugees affected areas (7ACP RPR 641 and 7ACP TA 98) including rehabilitation of the Kigoma –Nyakanazi road and Mwanza airport.

3.3 Follow-up under EDF 9

Under EDF 9, a major allocation of 40% of all NIP resources has been initially earmarked for the roads sub-sector alone. However, the contents of the NIP of EDF 9 for the roads sector are still under discussion, including the selection of high priority corridor trunk roads for EDF 9 funding. The main institutional issues under discussion are (*Source: EC Delegation and GoT, 2002: Joint Annual Report on Tanzania – EU Cooperation 2001*):

- consolidation of the sector reform process;
- redefinition of the role of the Ministry of Works (MoW);
- adequacy of road maintenance funding;
- capacity building of TANROADS;
- strengthening of districts and municipalities to deliver district road programmes.

The NIP of EDF 9 initially intended to include one large road sector programme and some direct financing support to the Road Fund. The EC had offered to finance from EDF 9 the Central Corridor segment between Dodoma and Singida. However, for political reasons, the GoT wanted to have this project completed rapidly and was not able to accept the EC offer, fearing that the mobilisation of EC resources would be too slow. Instead the GoT decided to finance this segment from its own budget sources (most likely with some financial support from other donors). It can be noted that the management responsibility of GoT funded projects has been given to the MoW and not to TANROADS.

Thus the EDF 9 programme will have to be revised. The EC Delegation has taken notice that trunk roads are already well covered by other donors and the GoT, so that there may not be a need for EC to devote to this task as much resources as had initially been considered. The support to road maintenance is considered interesting as there is an opportunity to give projects that are less than Euro 5 million to local contractors (for resealing, etc.).

Under EDF 9, the intended direct financing support to the Road Fund is consistent with the PRSP. The PRSP privileges rural roads, and 30% of the total Road Fund resources are allocated to local governments for the maintenance of district (and urban) roads.

The NAO has proposed that 35% of the total EDF 9 funding be provided in the form of budget support.

4. Findings in relation with the evaluation questions

This Chapter presents findings specifically related to the ten evaluation questions, their criteria and indicators.

During the first phase of the evaluation, a form or “evaluation question sheet” was prepared in order to guide the data collection process during the second phase of the evaluation. This form included, for each evaluation question: (i) the evaluation team’s comprehension of the question; (ii) the logic behind the question; (iii) several judgement criteria to answer the evaluation question; (iv) one or several indicators per criterion; and (v) a potential source of information for each indicator.

It was also specified that, first, judgement criteria could be country-specific or programme-specific and that some questions included both types of criteria and, second, that within the same question, criteria could be specific to a type of intervention or more general to the geographical region where the intervention takes place. Therefore, it was concluded that not all criteria were meant to apply to all interventions under study.

The following pages present these “evaluation question sheets”. They have been used as check lists to collect information during the field mission and the results from deskwork. Together with information from the other field missions and desk work, they intend to provide a basis for forging an “overall judgement on the Commission’s past performance and the relevance of its current approach to programme design as well as findings and operational recommendations”, as requested in the TOR⁵. Therefore, information presented in the following pages does not attempt to cover all the information necessary to answer the evaluation questions at the country level.

The information presented is complementary to the one in Chapters 2 and 3. When relevant, the logic behind the criteria, as proposed in Phase I of the evaluation, has been kept for clarity. When indicators or criteria are the same for more than one question, reference is made to the place where they first appear. Finally, some of the indicators or criteria have been considered not relevant in the case of Tanzania, given the nature of the interventions or the context of the country.

⁵ Terms of Reference, page 4.

Q.1. To what extent were policy and programme development at sectoral level conducted in partnership with third countries since the publication of the last major evaluation and with what effect ?

C1	EC interventions are designed and carried out in the framework of a national sectoral policy	During 1995-2001, several policy and programme documents relative to the road sector have been issued, which provided a basis for the co-operation between the government and the EC. No similar documents exist for the other transport sub-sectors and not for the transport sector as a whole. The Ministry of Transport and Communication has issued in 2003 a National Transport Policy paper but the status of this document is not clear yet.
I1	Existence of a sectoral policy document	<p>During the period under scrutiny, several policy related documents have been issued, which target the road sector, notably:</p> <ul style="list-style-type: none"> - Ministry of Works, Communications and Transport (MWCT), June 1994: The Integrated Roads Project (IRP); including a "Letter of Transport Sector Policy". - Ministry of Works (MoW), January 2002: 10 Year Sector Development Programme – Phase II. <p>The following two documents that have been issued by the Ministry of Communications and Transport (MCT) address the whole transport sector. They reflect a sectoral approach of transport:</p> <ul style="list-style-type: none"> - Ministry of Communications and Transport (MCT), March 1999: A Working Paper on National Transport Policy - Ministry of Communications and Transport (MCT), 2003: National Transport Policy (NTP). <p>The NTP is distributed in the form of a "White Paper". It has not yet been followed up by an action programme that defines priorities, resource allocation and a time schedule for implementation.</p>
I2	Reference to national priorities in EC project or programming documents	The 8 th EDF Programming Strategy Paper (EC, March 1996) states that "the main focal sector for programmable aid will be transport infrastructure". According to the Strategy Paper, EC support in the roads sector is provided within the framework of the multi-donor second Integrated Roads Project (IRP2). The Strategy Paper refers to the GoT's commitment to significant investment programmes comprising the Integrated Roads Project (IRP), the Railways Restructuring Project (RRP) and the Ports Modernisation Project (PMP). It also points out that the GoT has adopted clear policies and commitments in the framework of the multi-donor programmes in the roads, railways and ports sub-sectors. These include: strengthening the Ministry of Works, Communications and Transport (MWCT); establishment of the Central Roads Board and Regional Roads Boards to advise MWCT; introduction of a Road Fund financed through a tax on petroleum products, progressive contracting out of road repair and maintenance works to the private sector; operation of the Tanzania Railways Corporation (TRC) as an autonomous commercial entity; commercialisation of the Tanzania Harbours Authority (THA).

I3	Delegation organises/participates in relevant coordination meetings with partner government	<p>The Delegation has been very proactive during most of the period 1995-2001 to establish and sustain a close dialogue with the GoT concerning the roads sector reform process. The Head of Delegation, who considers that an EC Delegate in a developing country is acting as managing director of a development agency, is personally involved in the implementation of the EC cooperation in the transport sector.</p> <p>The Ministry of Finance/NAO is the main negotiator with the EC of the five years National Indicative Programme. It leads the negotiation but takes advice of the line ministries.</p> <p>NIPs are joint undertakings of the government and the EC, but according to NAO officials the Delegation has more weight in the final decision than the government.</p> <p>There are good working relations and meetings every two months between the NAO and the Delegation to discuss the implementation of the projects portfolio, and an annual review is carried out in July that also involves non-state actors.</p> <p>TANROADS officials stressed that their relation with the Delegation is good and expect the deconcentration to make these relations still more effective.</p>
I4	Delegation organises/participates in relevant coordination meetings/activities with other donors	<p>The EC Delegation is leading the donors community in the roads sub-sector and initiates donors meetings that take place every three months. The most recent meeting took place at the beginning of June 2003 on the ToR of a road sector review.</p> <p>Donor meetings with the Government are carried out on an ad hoc basis with the donor community represented by the EC and some bilateral donors.</p> <p>It is accepted among other donors that EC should take the lead concerning road sector reform, although there exists some disagreements between the EC and the World Bank regarding notably their assessment of TANROADS' performance. However, the recent World Bank Aide Mémoire (dated 17 April 2003) indicates a rather positive assessment of TANROADS' performance in relation to the implementation of IRP2.</p> <p>At the time of the mission, a particular concern of the EC was the proposal submitted by the MoW for a new Roads Act. The EC Delegation was taking the leading role in the preparation of a joint donor statement on this document.</p> <p>There is no clear donor coordination and approach to road transport services.</p>
I5	There is a MTEF and an annual budget	<p>The annual budgeting process is established and guided by the MTEF (Medium Term Expenditures Framework) and the Public Expenditure Review yearly exercises, ref. the PRSP Progress Report 2000/01 Chart I (priority sector expenditures), where the transport sector is included among "Others".</p>

C2	Inter-sectoral linkages have been properly identified	<p>The final version of the Poverty Reduction Strategy Paper (PRSP) for Tanzania (GoT, October 2000) only reflects a limited role of the transport sector in the overall socio-economic development. The PRSP mainly points out the influence of rural roads (feeder, district and regional roads) on the access to the farms, agricultural markets and services in rural areas. The Progress Report 2000/01 (GoT, August 2001) “updates” the PRSP and indicates that a detailed costing of needed interventions has been developed on rehabilitation, upgrading and emergency repairs of rural and district roads under the “Urgent Roads Rehabilitation Programme” (URRP).</p> <p>The PRSP is central to donors and a key policy document. However priority in the PRSP is on rural roads, whereas the MoW makes connecting the various regions of the country by trunk roads its priority and pays little attention to rural roads. Several stakeholders suggested that the PRSP should also address trunk roads and define the balance and priorities. The PRSP section on infrastructure and roads and how they link to agriculture and economic development is considered weak.</p> <p>The 9th EDF Country Strategy Paper (CSP) and National Indicative Programme (NIP) 2001-2007 notes (pp 12) that the PRSP is not strongly oriented towards the development of the private sector and does not contain new ideas for the development of trade and regional cooperation.</p> <p>The Regional Indicative Programme (RIP) for East Africa (under Fourth Lomé Convention, 2nd Financial Protocol) pointed out the importance of the linkages between transport, trade and regional integration, and as a consequence allocated 75% of the RIP resources to this priority area. However, no clear references were made to these inter-linkages in the NIPs for Tanzania.</p>
I6	Existence of multi-sectoral policy papers in which transport is identified	<p>The interim National Poverty Reduction Strategy was adopted by the GoT in 1997. As mentioned above (I.2) the PRSP was issued in October 2000. As far as transport is concerned, only rural roads are identified as a priority in this document.</p> <p>EC interventions have concentrated up to now on national and regional roads.</p>
C3	The Delegation plays an active role to promote and lead coordination complementarily with other donors specially MS and the World Bank	<p>The road sector reform process in Tanzania has been launched within the framework of the Road Management (Maintenance) Initiative (RMI) that is one of the five main components of the SSATP. Thus the overall complementarity between the EC and the World Bank has been ensured from the outset.</p> <p>However, the Bank does not have a permanent infrastructure expert in Dar es Salaam. World Bank projects are followed through short-term missions. This does not favour a close cooperation with the EC. The EC and the Bank disagree on their assessment of some developments in the transport sector.</p> <p>The EC exerts a lead among bilateral donors involved in the transport sector, whether they are EU members or not. Some division of labour tends to take place between the EC and bilateral donors, as several of the latter intend in the future to concentrate their interventions on rural roads and to downsize their interventions on national roads.</p>

I4	Delegation organises/participates in relevant coordination meetings/activities with other donors	See above under C3
I7	Agreement of common donor approach	<p>In 1998 donor pressure was successful at bringing the road sector reform process back on track. EC Delegation, USAID and SDC were members of the Joint GoT/Donors Working Group that recommended the establishment of the Road Fund and National Roads Agency. A RMI meeting held in Tanzania in 1998 also contributed successfully to facilitating the reform process.</p> <p>There is no formally approved common donor approach, but there is a high degree of donor consensus on the approach to road sector reform in Tanzania. Currently, the EC Delegation to Tanzania co-ordinates the process of preparing a common position of donors involved in the transport sector on the draft of a new Road Act.</p>
C4	The Delegation plays an active role to enhance sector coordination with the government, who has the lead role	<p>The Delegation is very committed and proactive in its approach. Sector coordination has been concentrating on the road infrastructure sub-sector and the reform process, and the results of the overall intervention have been very successful and effective so far. This is reflected by growing revenues for road maintenance via the Road Fund, and the establishment of Tanzania National Roads Agency (TANROADS) as an executive and semi-autonomous body. However, there is still a risk for some backtracking particularly as concerns the relations between the Ministry of Works, the Road Fund Board and TANROADS.</p> <p>In July 2002, the EC Delegation has had a lead role in the drafting of a joint donor statement ("Tanzania at crossroads?") presented to the Government. In this document, donors questioned the commitment of the government to see the reforms through and expressed concern that official statements focus on the construction of new roads with little attention to maintenance.</p> <p>At the time of the mission (June 2003), the EC Delegation was again active at preparing a joint donor statement on the draft of a new Road Act, which raises concerns among donors.</p>
I3	Delegation organises/participates in relevant coordination meetings with partner government	A joint donor/GoT review meeting held on 30 August 2002 agreed on establishing a small technical consultative committee. The first meeting of this Joint Government/Donor Technical Consultative Committee was held in November 2002. The second meeting of the Technical Consultative Committee was held on 30 May 2003. It included presentation of the Ten-Year Road Sector Development Programme and of the draft TOR for the proposed road sector reform study.

I8	Sectoral approach agreed with the government	<p>So far the sectoral approach has been confined to the roads sub-sector. Even in the roads sector, implementing the four RMI "building blocks" will take time. There remain problems hampering consolidation of the reform. Presently more attention is given to the construction or rehabilitation of trunk roads than to maintenance. This leads to discussions with the GoT, but the dialogue is serious.</p> <p>The EC Delegation considers that TANROADS and the Road Fund Board have done well so far, and should be consolidated and strengthened. The EC is willing to provide support to these organisations, which is confirmed by the present interventions under EDF 8. In the earlier years it was not too clear how far TANROADS was to be autonomous, and the new draft Roads Act (May 2003) suggests that there are still some backtracking attempts. There is a danger of a parallel system (both TANROADS and MoW carrying out contract management and implementation). The Delegation considers the separation between the Road Fund and TANROADS a good model. There are alternative models in other countries (e.g. Uganda and Kenya). The World Bank is more critical of the TANROADS model.</p> <p>The EC is funding a pre-feasibility study of the EDF 9, which should provide an answer to the question: how do we go ahead with the EDF 9 funding? Part of the funds (up to Euro 30 million) may go directly as financial support to the Road Fund.</p>
C5	Road boards or similar institutions at national and sub-national level exist and have a real influence on the sector policy	There is a Road Fund Board established in August 1999. The RFB has nine members of which four represent road users. Members of the Road Fund Board are highly committed to secure proper funding of road maintenance needs and have a real influence on the policy in this area.
I9	Existence of activity reports or meeting minutes of road boards, community councils or other institutions bringing together different stakeholders	<p>The TANROADS Board includes the same members as the RBF, but with the Permanent Secretary of the MoW as the Chair person and with a separate secretariat/administration.</p> <p>The Road Fund Board is being served by a secretariat, which issues quarterly reports. The Road Fund Board releases Annual Reports of the Road Fund. External audits take place.</p>
C6	Non-governmental stakeholders (traders, transport operators, minority groups, women,...) have been involved at different stages of the intervention cycle	Four of the nine members of the Road Fund Board are from the private sector and represent road users (truck owners, cooperatives, tour operators, Tanzania roads association).

I10	Evidence of consultations, discussion groups, community councils, public debate notably in local press, etc. at the different stages	<p>The RFB issues a quarterly magazine ("The Road User") in which various issues related to road transport are discussed through reportages and interviews.</p> <p>The road user associations have regular contacts with the Government, but claim that it is difficult for them to get a real influence on policy. They have expressed a need for EC support to capacity building and human resource development.</p> <p>The national consultancy industry (organised in ACET, see below under C8) is weak partly due to the dominance of international (including South African) consultancy companies on the domestic market.</p> <p>Preparation of the PRSP involved a large participation of the civil society. But, as pointed out above, transport issues are somewhat neglected in this document except for the need to develop rural roads.</p>
C7	Conflicting views about specific transport projects have been publicly expressed and the final decision has taken them into account -which does not mean accepted them	No particular information has been obtained on this issue.
I10	Evidence of consultations, discussion groups, community councils, public debate notably in local press, etc. at the different stages	No particular information has been obtained.
C8	Stakeholders feel their views have been taken into account and have contributed to improve the project's impact	<p>Regular consultations take place between TANROADS and the road user associations concerning such issues as axle load control and road safety. However, as mentioned above, road user associations claim to have little real influence on policy at the ministry level and on decisions at the TANROADS level.</p> <p>The Association of Consulting Engineers Tanzania (ACET) expressed frustration of not being effectively involved in giving advice on tender procedures, etc.</p>
I11	Subjective perception expressed by the stakeholders of effective participation to the decisions	See above

C50	Projects are designed according to PCM and EcoFin and according to the transport sector guidelines	EC interventions in Tanzania are fully consistent with the sector approach recommended by the EC communication on sustainable transport.
I71	The problem addressed by the intervention has been clearly and explicitly identified	EC interventions concentrate on a few major issues: support the institutional reform process in the roads sector and strengthen the new institutions, notably TANROADS; contribute to the rehabilitation of the main road network; ensure that roads are properly maintained.
I72	The objective of the project is clearly stated and explicitly addresses the problem identified	Project overall goals and specific objective are clearly stated in the project documents.
I73	Overall objectives and project purpose are clearly and correctly differentiated	Project overall goals and specific objective are clearly stated in the project documents.
I74	The objectives of the project are quantifiable and are effectively quantified	For the projects involving works components, this indicator is fulfilled through the preparation of the tender documents. However, there is a general tendency to underestimate quantities, and a contributing factor is too little resources allocated to field surveys and design. In the case of RUSIRM, the Logical Framework Approach (LFA) is used as a management tool also at the local level.
I75	Project identification and formulation documents	Documents relative to the earlier stages of the project cycle are difficult to retrieve.
I70	Assumptions and risk clearly stated	Financing agreements state assumptions and risks as well as Government commitments.
I76	PCM/ECOFIN conformity of the structure of financial proposal and of the project implementation and monitoring documents, including ToR	Projects are prepared and implemented in conformity with PCM/ECOFIN.

Q2. To what extent has policy commitment from partner countries been secured so as to ensure the sustainability of transport strategies?

C5	Road boards or similar institutions at national and sub-national level exist and have a real influence on the sector policy	See Question 1.
I9	Existence of activity reports or meeting minutes of road boards, community councils or other institutions bringing together different stakeholders	See Question 1, C5/I9.
C9	Maintenance of transport infrastructure and equipment is ensured	<p>Road maintenance is funded by a Road Fund endowed with stable resources. However, the Fund current revenues do not match the maintenance needs. The RFB Annual Report FY 2000/2001 estimates that the revenues for that Financial Year only covered 42% of the maintenance requirements. Nevertheless this is an improvement compared to a previous year estimate of 30%. A 14% tax increase on fuel sales in 2000 reflected the GoT commitment to increase the revenues of the Road Fund. The Road Fund Board is issuing recommendations to the Government to increase Road Fund revenues.</p> <p>The managers of TANROADS and of the district road administrations are now able to plan their maintenance activity, since they know how much money will be made available to them for that purpose. Tenders for maintenance works are published in the newspapers. Local contractors show a growing interest for this market as they know that funding is available, but capacities are still insufficient.</p> <p>In the case of road transport services, all operations are in principle commercial or individual and the question of maintenance of the rolling stock ("equipment") is not relevant.</p> <p>EC and the World Bank have provided support to the Railways Restructuring Project, including some emergency repair of the Tanzania Railways Corporation (TRC) infrastructure. However, the need for rehabilitation and renewal of the infrastructure and rolling stock is accumulating for both the TRC and the Tanzanian-Zambian-Railway company (TAZARA). To increase the speed of its transport operations, the TRC would need to upgrade the infrastructure on some sections, including the rails to have 40 kg gauge/m. The gauge (width) of the TRC railway is 1.000 meter, against 1.067 meter for the TAZARA railway line, which implies separate rolling stocks for the two companies.</p>

I12	Measures (such as funding being interrupted) have been taken by the EC when the partner government has not fulfilled its obligations notably in terms of maintenance and management of infrastructure	Between 1998 and 2000 there was a period of stand-off on the side of the EC, notably in the transport sector. The Delegation pointed out that they were criticised, included by Brussels headquarters, for having been late at launching the EDF 8 NIP. In fact launching of the programme was deliberately suspended until reforms of the roads sector were being carried out. The EC limited its activity to the continuation of what was going on, until reforms were carried out to ring-fence the resources intended for road maintenance and until TANROADS was being created as a semi-autonomous agency. The establishment of the 2 nd generation Road Fund and of the Road Fund Board in 1999 and the creation of TANROADS in 2000 made it possible for the EC to unleash projects under EDF 8. Thus the RMI's four "building blocks" were in place in 2000. Since then there has been a positive turn-around in the country's performance on road maintenance and the perception of the country by donors has improved.
I13	Ratio recovery price to actual cost of infrastructure maintenance or service delivered	As mentioned under C9, Road fund revenues in the FY 2000/01 only covered 42% of the estimated maintenance costs. But the Road Fund Board is highly committed to obtain from the government enough resources to cover all road maintenance needs and is making practical recommendations to that end.
I14	Existence of cost recovery procedures, for instance petrol taxes	The establishment of the 2 nd generation Road Fund in 1999 resulted in an increase of the total revenues dedicated to road maintenance. During 1995 and 1998 there was a significant difference between total collection and allocations to MoW and PORALG (RFB status, April 2002). Revenues from fuel levy started contributing to the new Road Fund in 1999/2000 and soured as from 2000/01. The Central Transport Licensing Authority (CTLA), which is under the MCT, collects licensing fees. MCT has agreed with the RFB that licensing fee revenues should go to road maintenance, but stress that the collecting body (CTLA) should remain with sufficient resources to cover collection costs. The MCT has suggested to keep 40% and to allocate 60% to the Road Fund.
I15	Budget amounts dedicated to maintenance (actual expenditures, during the evaluated period)	From the FY 1996/97 to 1998/99 there was a steady growth of fuel levy collections, but only partly allocated to the Road Fund. FY 1999/2000 experienced a decline of revenues due to tax evasions, smuggling and dumping of transit fuel (Road Fund Manager, August 2000). The Road Fund Board took over from the Ministry of Finance the management of the Road Fund as from the FY 2000/2001 and since then things have improved. In the FY 2000/01 fuel levy contribution reached 43.5 billion Tsh (Road Fund Board, April 2002).
I16	Maintenance needs of the maintainable network compared to the public resources dedicated to transport	Overall and comparative figures covering all transport modes are not available.
I17	Maintenance status of infrastructure in the field	For the national and regional road networks, the maintenance status is still inadequate, but it is improving significantly due to donor backlog maintenance works in progress and to increasing Road Fund budget allocations to maintenance.

		District and rural roads receive 30% of the total annual Road Fund budget. However, a systematic functional identification/classification of district level roads has not yet been presented, and the present capacity of PORALG and the district road administrations is not sufficient to absorb the Road Fund allocations effectively.
C10	The Delegation plays an active role to ensure commitment from partner country to guarantee adequate management and maintenance of infrastructure	<p>The EC Delegation exerts a leadership with full support of other donors in pursuing institutional reforms. Ensuring that the road network is properly maintained is one of the Delegation's main concerns.</p> <p>The Joint GoT/Donors Working Group, which recommended in 1998 the establishment of a 2nd generation Road Fund and TANROADS, included the EC Delegation together with USAID and SDC.</p> <p>The Delegation has drafted (June 2003) the Terms of Reference of a study to provide "A review of road sector reform and the future strategy and plan for change". These ToR are discussed with other donors in the transport sector.</p> <p>The EC has been deeply involved in the establishment of TANROADS.</p> <p>Within the 8ACP TA 20 Financing Agreement, the EC is providing further technical assistance to TANROADS (Euro 1.2 million) and to the Road Fund Board (Euro 0.6 million; one-year technical assistance is still in the preparatory stage).</p> <p>The technical assistance team to TANROADS includes three expatriates i.e. the team leader (highway planner/highway maintenance management engineer); a financial management cum audit specialist; and a human resource/professional development specialist. The highway planner (team leader) attends the TANROADS management meetings every two weeks. He works mainly with the Director of Maintenance and the Director of Technical Services.</p> <p>Among the tasks are:</p> <ul style="list-style-type: none"> - Review of the maintenance planning/strategy. - Preparation of a strategic plan with the aim to define the next 5-years programme. - Working on a new organisational structure of TANROADS at the request of a number of donors. It is not a question of scaling down the staff except for reducing around 100 "askaris" (watchmen) around the yards and instead hiring private companies to do this job. - Working on revision of the draft Roads Act proposal. <p>The highway planner is also involved in the development of equipment hiring units (EHUs) and the management of weighbridges for axle load control.</p> <p>The financial specialist is preparing an accounting manual for use within TANROADS, which is based on the same software package as all the line ministries, but has to be customised to TANROADS needs.</p> <p>The human resource specialist has helped carrying out a training needs analysis and a 5-year training programme for TANROADS. Other consultants will carry out the actual training.</p>

		EDF 9 envisages a continuation of technical assistance to TANROADS and to the Road Fund Board.
I3	Delegation organises/participates in relevant coordination meetings with partner government	See comments under Q1/C1/I3 and Q1/C4/I3. In 2002 the Delegation had taken the initiative of a joint donors statement ("Tanzania at crossroads") expressing concerns as regards among other issues the commitment of the government to ensure a proper maintenance of the road network. At the time of the mission the Delegation was discussing with other donors a statement on the draft of a new Roads Act, expressing concerns notably as regards the implications of this document for the maintenance of the road network.
I8	Sectoral approach agreed with the government	There is a common agreement between donors and the government to adopt in the roads sector an approach, which is consistent with the EC recommendations for a sector approach on transport. But there is for the time being no sectoral approach encompassing all transport modes.
I12	Measures (such as funding being interrupted) have been taken by the EC when the partner government has not fulfilled its obligations notably in terms of maintenance and management of infrastructure	See above under C9. The lack of commitment of the government to reform the Road Fund and to endow it with stable resources was one of the main factors which induced the EC Delegation to delay the implementation of EDF 8 projects.
C11	The partner government has undertaken institutional reforms aiming at improving transport effectiveness and efficiency	The EC has been persistent to ensure that the GoT undertakes institutional reforms in the roads sub-sector. These efforts have been successful : a 2 nd generation Road Fund has been created and allocated stable resources; the Road Fund is placed under the responsibility of a Board in which the private sector is represented; a semi-autonomous agency, TANROADS, has been established to manage the rehabilitation and maintenance of roads; most of maintenance work is sub-contracted to private enterprises. However, there is still a risk of backtracking and of fading GoT commitment to consolidate the reforms. MoW officials point out that the newly created institutions were established in order to fulfil specific objectives, however under the supervision of the MoW. The MoW says that future construction/rehabilitation projects will be entirely transferred to TANROADS, and stated in an updated status report on the road sector reform (MoW, 2000) that the intention is to establish a fully autonomous roads agency based on the SADC Roads Act model. But for the time being TANROADS and the MoW carry out parallel project management functions, although there is no duplication of work carried out by the two institutions. Some of the ongoing projects started under the MoW have remained under its management. New projects are placed under the responsibility of TANROADS. However, some so-called "special projects" recently

		<p>started under GoT funding have been retained in the MoW.</p> <p>The NAO officials confirmed that whether the money comes from the government or from donors, all new projects in the roads sector should eventually be carried out by TANROADS as the contracting authority.</p> <p>The overall picture of TANROADS development is positive, but the new Roads Act proposal (June 2003) is a major concern as it represents a step backward departing from the view of an autonomous roads agency.</p> <p>Within aviation, maritime transport/ports and railways, there has not been enough donor involvement to push reforms forward. The deregulation and restructuring of the railways and the introduction of concessions have experienced significant delays. This has resulted in a declining or stagnating market share of the railways both with passengers and goods.</p>
I18	Evidence of new laws, regulations and organisational procedures	Both the introduction of the 2 nd generation Road Fund and the establishment of TANROADS was preceded by adequate law amendments. However, the mutual roles and responsibilities of the MoW, Road Fund Board and TANROADS have still to be clarified and consolidated.
C12	The partner government has undertaken reforms to ensure the commercialisation of activities such as construction, maintenance and delivery of transport services	<p>Within road maintenance and rehabilitation, most of the activities have been commercialised via tendering. But there is still a long way to go to strengthen the capacity and involvement of the local construction industry, particularly as concerns works on the national road network.</p> <p>EC funded works are tendered internationally and the degree of involvement of local contractors either through sub-contracting or even joint-ventures with international contractors and consultants is very low or non-existing. Most of the bilateral donors (e.g. Italy, Japan, Denmark) require the involvement of their respective national construction industry to carry out works contracts.</p> <p>Road transport services are private. Road hauliers and private bus operators are increasing their market shares, the latter at the expense of the non-competitive railways. The regulatory and legal framework and enforcement procedures are still inadequate. For the road haulage industry there is a particular need to harmonise the requirements with neighbouring countries and through the regional cooperation bodies.</p>
I19	Existence and effective use of competitive procurement procedures	Since the establishment of TANROADS in 2000, competitive procurement procedures in road construction and maintenance have been effectively introduced. The MoW is still managing a portfolio of road rehabilitation projects financed by the EC or the GoT and is also resorting to competitive tendering.
I20	Evidence of competition between transport suppliers	<p>There is no indication that the supply of transport services, at least as regards road transport, suffers from market distortions.</p> <p>The road user associations have approached the EC to provide assistance on how to strengthen the associations. They are going to request the NAO and EC for support on capacity building, including organisational strengthening of the associations, education of members on axle load limits, etc.</p>

I21	Size of the road fund compared to the public resources dedicated to transport	<p>As mentioned under Q1, the size of the Road Fund is increasing, but still not matching the overall maintenance needs.</p> <p>A sound progress has been made in the collection of funds, and in keeping roads in maintainable conditions. For the time being the Road Fund still covers only partial maintenance needs of all roads. It has been estimated (RFB Annual Report FY 2000/2001) that current optimal maintenance requirements stand at Tsh 109 billion, whilst the actual collection for the financial year 2000/2001 was only Tsh 45.8 billion. This corresponds to only 42% of estimated actual requirements to have roads in maintainable conditions. Firstly, there is not sufficient funding available due to problems with the collection of funds. Secondly, there is not enough capacity in the districts to absorb the Road Fund monies, and as a result some districts are using the resources made available to them for other purposes than road maintenance.</p> <p>The Delegation makes clear that a strong commitment of the government is needed to adjust the Road Fund revenues to the requirements. During the mission team's visit to Tanzania, the Minister of Finance presented the new budget for the FY 2003/2004 indicating that efforts will be continued to increase the collection of fuel levies. Steps to curb tax evasion in the fuel oil sub-sector could result in additional revenue estimated at over Tsh 50 billion a year.</p>
I16	Maintenance needs of the maintainable network compared to the public resources dedicated to transport	<p>The main sources of the Road Fund revenues are fuel levy, overloading fines and transit charges respectively, whilst no monies were collected from heavy vehicle license (Annual Report of the RFB for financial year 2000/2001). The Tanzania Revenue Authority is responsible for collecting fuel levy and transit fees, CTLA (under MCT) for collecting heavy vehicle fees, and TANROADS for collecting overloading fines.</p> <p>In an attempt to secure more adequate financing, the Road Fund Board has negotiated with the Ministry of Finance to streamline collection procedures, and made recommendations for the implementation of new rates on fuel levies, registration fees, and transit charges. Furthermore, the RFB put forward to the Minister the proposal of a so-called 'tourism infrastructure fee' of US\$ 5 that would be applicable to all tourists travelling inside Tanzania and whose revenue would be allocated to the Road Fund.</p> <p>Some of the interviewed stakeholders stressed that large quantities of petrol are smuggled to Tanzania and so far tax evasion has not been properly addressed. This has a large negative impact on the revenues of the Road Fund. In the next financial year, the RFB expects to receive an EU financial support of up to Euro 30 million for the first time (under EDF 9), and additional Euro 400.000 for capacity building.</p> <p>The TANROADS Chief Executive pointed out that maintenance has been neglected for years. There is a lot of backlog maintenance, and TANROADS has to build up capacity for maintenance while at the same time carrying out rehabilitation and reconstruction. It is currently difficult to separate pure maintenance from development works (new/upgraded roads). If periodic maintenance (such as resealing and gravelling) is not carried out in due time there is a risk of passing the road over to a backlog maintenance status.</p>

I22	Status of the staff in charge of transport services and infrastructure maintenance (is it public or private?)	The staff employed by TANROADS is directly recruited by the agency on a private-type work contract.
I23	Bias in competition between transport enterprises or modes	There is no indication of competition distortion in road transport services. Railway transport is clearly disadvantaged as compared to road transport due to lack of clear policies, lack of progress on infrastructure maintenance and institutional restructuring, and lack of an appropriate marketing policy.
C13	The partner government has undertaken sectoral reforms to ensure cost recovery from infrastructure users	The 2 nd generation Road Fund and the Road Fund Board are considered major institutional achievements in this regard.
I13	Ratio recovery price to actual cost of infrastructure maintenance or service delivered	Road Fund revenues based on fuel levy are increasing. Although axle load control is being strengthened, transit charges and overloading fees only contribute with small amounts to the Road Fund. According to TANROADS officials, contributions of heavy vehicles to the Road Fund do not match the impact of this traffic on the deterioration of road pavement. However, these officials point out that their objective is not to increase the revenues of fines, but to have the regulation effectively implemented in order to avoid damages to the roads.
I14	Existence of cost recovery procedures, for instance petrol taxes	See above C9.
C14	There are training scheme on transport sector programming and management	EC interventions include training components and technical assistance targeted on TANROADS and the Road Fund.
I24	Existence of training programmes	The existing training programmes focusing on capacity building in the construction and road transport services industry are weak due to lack of GoT support and insufficient means of the civil engineering associations (e.g. ACET and TACECA) and road user associations. There is room for donor support addressing capacity building of the private sector segments within these areas.

Q3. How far have Commission strategies, programmes and projects contributed to the achievement of sustainable economic benefits?

C1	EC interventions are designed and carried out in the framework of a national sectoral policy	See Question 1
I1	Existence of a sectoral policy document	See Question 1, C1/I1
I2	Reference to national priorities in EC project documents	See Question 1, C1/I2
I3	Delegation organises/participates in relevant coordination meetings with partner government	See Question 1, C1/I3
I4	Delegation organises/participates in relevant coordination meetings/activities with other donors	See Question 1, C1/I4
I5	There is a MTEF and an annual budget	See Question 1, C1/I5
C9	Maintenance of transport infrastructure and equipment is ensured	See Question 2, C9
I12	Measures (such as funding being interrupted) have been taken by the EC when the partner government has not fulfilled its obligations notably in terms of maintenance and management of infrastructure	See Question 2, C9/I12

I13	Ratio recovery price to actual cost of infrastructure maintenance or service delivered	See Question 2, C9/I13
I14	Existence of cost recovery procedures, for instance petrol taxes	See Question 2, C9/I14
I15	Budget amounts dedicated to maintenance (actual expenditures, during the evaluated period)	See Question 2, C9/I15
I16	Maintenance needs of the maintainable network compared to the public resources dedicated to transport	Overall and comparative figures covering all transport modes are not available.
I17	Maintenance status of infrastructure in the field	See Question 2, C9/I17
C15	Taxes do not hamper trade and transport	Throughout the 1970s, Tanzania implemented a strategy of import substitution implying severe restrictions to imports. This policy lasted until 1986, when the Economic Recovery Programme introduced import liberalisation measures and relaxed foreign exchange constraints. The trend towards liberalisation of trade was, however, uneven. From 1980 to 1999, the IMF restrictiveness index declined from 10 (extremely restrictive) to 6 (moderately restrictive). In 2000, Tanzania withdrew from COMESA. Officially the reason was that the country was involved in too many regional organisations. But most observers consider that the main reason was the reluctance of the GoT to remove customs duties on imports from COMESA member countries, which have a significant contribution to budget revenues.
I25	Import and export tax as % of value of imports and exports	The tariff structure has four bands : 0%, 10%, 15% and 25% (down from 50% in 1995), the custom rate increasing with the degree of processing of the imported goods. Zero rate applies to raw materials and capital goods; the 25% rate to final consumer goods. The weighted average tariff is estimated at about 15%.
C16	Regulations do not hamper trade and transport	As indicated above, Tanzania withdrew from COMESA and did not implement the harmonisation measures recommended by the organisation to facilitate cross-border transport. See also below Question 5, C30
I26	Existence of non-tariff barriers (such as export and import licences, ban from exporting “strategic” goods such as cereals, seed cotton, etc.)	Regional harmonisation is still to be effectively initiated. The Regional Indicative Programme (RIP) for East Africa (presented 1996 under 4 th Lomé Convention, 2 nd Financial Protocol) indicated 75% of the RIP resources to be allocated to “Transport, Trade and Regional Integration”. The RIP also requested that “the states of the region take appropriate measures in order to ensure that regional funds are used for projects benefiting the region and not be

		considered as extra funds for financing purely national projects”. On rail and road infrastructure interventions, the focus has been on the TRC and the trunk road network of importance also for transit traffic. However, there has not been any particular interventions focusing on regional harmonisation of the regulatory framework conditions for transport operations.
I27	Transport prices fluctuations show they are free and reflect open competition between transport operators	There is no indication that competition between transporters would be restricted or distorted.
I28	Existence of road blocks	Several axle load control posts have been established or are planned on the trunk road network.
I29	Waiting time at berth	Investments financed from a World Bank loan of US\$ 37 million have been carried out at the Port of Dar es Salaam in the first half of the 1990s. They resulted in a significant increase in the traffic of containers. However, the total tonnage handled at Dar es Salaam has not significantly increased between 1995 and 2001.
I30	Waiting time at border crossings	Information not retrieved.
C17	Improving access to international markets is an explicit objective of the intervention	Transport investments prioritise road transport and within this sub-sector the improvement of connections between the various regions of the country. Improving access to international markets is not for the time being a priority of the GoT.
I31	Quality of baseline and monitoring data. For example, inland transport or port cost as % of export fob price, waiting time to berth, loading delays, time and cost of red tape	Feasibility studies are requested prior to each EC intervention. Specific data have not been retrieved.
C18	Better market efficiency is an explicit objective of the intervention	The RUSRIM project aims at promoting economic growth in a region that has a potential for agriculture. The objective is to connect farmers to the market for agricultural inputs and for the sale of their products.
I32	Quality of baseline and monitoring data. For example, inter-market price correlation for staple goods (food, fertilisers, etc.) or traffic volumes of passengers, goods, etc.	Feasibility studies are requested prior to each EC intervention. Specific data have not been retrieved. Both the EC and TANROADS have initiated the development of road monitoring indicators. There is a need for donor coordination on this issue, as the World Bank and some bilateral donors are launching separate studies to pursue the development of different sets of indicators.

C19	International trade has increased after EC intervention	National statistics indicate fluctuations of exports and imports. It is not possible to separate the particular effects of EC interventions from the general and external market changes and domestic policies.
I33	Import/export volumes before and after EC intervention	Since 2000 there has been a growing trend on container traffic via Dar es Salaam port. This could be partly a result of better trunk road conditions e.g. on the Tanzam Highway.
I34	Traffic volumes of passengers and goods	The increase of long-distance road transport is partially an effect of the improved trunk road network since 1995. The stagnation or decline of rail transport flows is partly a result of the increased competition from road transport.
C20	Prices of traded goods are closer to international levels after EC intervention	
I35	Market prices, export parity price (EPP) and import parity price (IPP)	Information not retrieved.
C21	Transport and transaction costs have decreased after EC intervention	
I36	Evolution of prices such as ton/km or passenger/km	TRC official informed the mission team that their tariffs are not negotiable, even with large shippers. The reason is that authorities are afraid that the Marketing Manager of the railway company would negotiate in his own interest.
C22	Increased stability of prices of staple goods	Information not retrieved.
I37	Time series of prices of staple goods	Information not retrieved.
C23	Flows of goods and people have increased at local, regional and international levels after EC intervention	The RUSIRM districts have shown increased awareness of maintaining the district roads that link to the regional roads being rehabilitated under RUSIRM, so that the whole network is operational. The duration of a trip from Iringa to the Mwakete district (Rudewa) has been reduced from 8-9 hours to 3-4 hours due to rehabilitation of regional roads under the RUSIRM programme. Transport fares have been halved. Before the bus to Mwakete was leaving at 4 a.m. and there was no bus at all to Ruvuma. Rudewa-Lake Nyaza is the only section still missing (It will require much more money than available under RUSIRM, and it is envisaged to be funded by AfDB). See also comments under C19/I33.

I34	Traffic volumes of passengers and goods	See comments under C23 above.
C24	New jobs have been created after EC intervention	See I38 below.
I38	Number of jobs directly created by the works (incl. duration)	<p>Under the EC funded RUSIRM programme, routine maintenance is carried out through contracts with individual villages or groups of villages. Specifications in the contracts support the employment of women for the clearing of bushes, trenches and ditches, and encourage labour-based technology. Routine maintenance is normally estimated as a standard unit cost per km plus additional costs if e.g. occurrence of land slides. The RMO informed that routine maintenance interventions take place two times a year at 45,000 Tsh/km each time and is restricted to manually based work.</p> <p>Local contractors are understood as all-over Tanzania contractors. It is assessed that more than 15 contractors will be ready to work in the Iringa Region. As the roads under RUSIRM are located in an area with tea plantations, the contractors complain of labour shortages unless they offer higher salaries than those paid by the tea companies. In addition to the positive impact on the farmers, the RUSIRM programme is creating jobs for the local labour force hired by the contractors. Thanks to this income many people have been able to improve their houses. They have also learned skills that will be useful in the future for the maintenance of these roads.</p> <p>EC consultancy service contracts with foreign consultancy companies do not request them to include local engineers under a secondment scheme for on-the-job training. EC contracts do not either require foreign consultants and contractors to enter in a joint venture with local companies. The Delegation advocates that there is scope for improvements of contractual conditions in this respect, but that such contract requirements are presently unworkable and there would be a need to gain experiences on-site.</p> <p>TRC has had to reduce its staff. Permanent staff amounted to 8,892 in 2001 (down from 9,830 in 1997 and around 15,000 in 1992). GoT is setting up funds for retirement of the TRC staff.</p>
I39	Employment in new enterprises created due to improved access	No specific data have been retrieved, but the EC and other donor interventions, resulting in improved road infrastructure, generally have a positive impact of employment in the private road haulage and passenger services industry.
I40	New agricultural land open	By opening up new land to agricultural production, the RUSIRM intervention leads to a more intensive utilisation of the agricultural potentials of the region.

C31	Effective regional transport corridors are in place and are used. In some cases they are connected with the TEN	So far the Regional Indicative Programme funding has mainly been considered as a supplement to the national development budgets more than within the perspective of regional trade and integration. However, some of the infrastructure interventions have improved regional trade conditions e.g. border roads Tanzania/Kenya, international airport operations, and the TRC railway network in the Central Corridor. See also comments above under C16/I26.
I30	Waiting time at border crossings	See comments under C23 above.
I34	Traffic volumes of passengers and goods	No information retrieved
I49	Evidence of improvements on border infrastructure and administrative procedures	See comment under C31 above.
I50	Explicit links between MED and CIS transport infrastructure and the TEN	Not relevant.

Q4. How far have Commission strategies, programmes and projects contributed to poverty reduction by improving access to essential services?

C1	EC interventions are designed and carried out in the framework of a national sectoral policy	<p>See Question 1/C1.</p> <p>Poverty is a problem both related to administration and rural areas. A strategy to reduce poverty in rural areas has been defined in the Poverty Reduction Strategy Paper (PRSP). As mentioned earlier, as regards transport the PRSP focus is on rural roads.</p> <p>The PORALG representative informed the mission team that PORALG intends to move away from a small projects approach towards a sector-wide approach. In Tanzania there are very productive areas that are not yet accessible, and development and maintenance should be looked upon together. PORALG is therefore trying to convince the RFB to allocate Road Fund monies to undertake rehabilitation and reconstruction of roads that are not maintainable yet. But the RFB considers that the Road Fund resources are earmarked for maintenance and suggest that PORALG should try to get money for road development from other sources e.g. donors.</p>
I1	Existence of a sectoral policy document	<p>The PRSP gives priority to the social sectors but also to rural roads as a means of access to social services. The Regional Administration Secretary in Iringa pointed out to the mission team that the PRSP has had an impact on the allocation of public resources. For example, registration fees for enrolment in primary schools have been removed. More support is given to health, education, and water supply, that are identified in the PRSP as priorities, and now to agriculture. Farmers are encouraged to organise themselves into marketing groups and to create savings and credit associations in connection with the micro-credit institutions at the district level. Access to markets through improved roads is considered as an important factor of agricultural development.</p> <p>The priorities identified in the PRSP have not up to now been taken on board of the transport policy and are not reflected in the transport policy and programmes whose focus is on trunk roads. One can, however, advocate that rural roads would be poorly useful if not linked to regional and trunk roads in good condition.</p>
I2	Reference to national priorities in EC project documents	<p>Except for RUSIRM, during 1995-2001 EC interventions have focused on the trunk road network and partly on TRC railways restructuring and Zanzibar port. No EC intervention has so far aimed at the SSATP components "Urban Mobility" and the "Rural Travel and Transport Program" (RTTP). These are not included in the EDF 9, which will concentrate on the same roads sector interventions as under EDF 8, including a follow-up on RUSIRM, plus strengthening of local governments to deliver district road programmes (source: Joint Annual Report 2001). TANROADS officials suggested that in the long run district roads could be included under responsibility of the agency, but this would require legislative changes. For the time being 50,000 km of roads are outside TANROADS. An integrated approach is needed, as the Road Fund covers both national/regional and district level roads, but the involvement of two ministries (MoW and PORALG) makes it complicated.</p>

		The Swiss Agency for Development and Cooperation (SDC) counsellor pointed out that its main interlocutor at the regional/district level is PORALG. SDC experience shows that PORALG is an overwhelmed institution. Several sources confirmed that the PORALG capacity is very low considering its broad range of responsibilities over sectors such as agriculture, transport, health and education. The development of a joint approach between foreign donors and PORALG is further hampered by the fact that the PORALG headquarters are located in Dodoma (the administrative capital of Tanzania), 450 km away from Dar es Salaam where foreign donors have their representations.
I3	Delegation organises/participates in relevant coordination meetings with partner government	See Question 1, C9/I13. No particular reference to Question 4.
I4	Delegation organises/participates in relevant coordination meetings/activities with other donors	See Question 1, C9/I14. No particular reference to Question 4.
I5	There is a MTEF and an annual budget	See Question 1, C9/I15. No particular reference to Question 4.
C6	Non-governmental stakeholders (traders, transport operators, minority groups, women,...) have been involved at different stages of the intervention cycle	About 30% of the Road Fund total revenues is allocated for roads maintenance activities at the district and local levels for which local governments and PORALG are in charge. The SDC official pointed out that one of the main bottlenecks of the system is the fact that district roads are too far from the rural communities, and the prioritisation of roads does not always reflect actual needs. Additionally the capacity of local administrations to manage public road works is low. It is believed that spot improvement is the first step allowing a larger number of people to benefit from an improved road network. The challenge remains to directly involve communities in rehabilitating existing rural roads and building new roads, and subsequently in maintaining them.
I10	Evidence of consultations, discussion groups, community councils, public debate notably in local press, etc. at the different stages	See above
C9	Maintenance of transport infrastructure and equipment is ensured	Whenever possible TANROADS is contracting villages for the current maintenance of rehabilitated roads. This is intended to provide additional income to poor villagers.

I12	Measures (such as funding being interrupted) have been taken by the EC when the partner government has not fulfilled its obligations notably in terms of maintenance and management of infrastructure	No particular reference to poverty reduction.
I13	Ratio recovery price to actual cost of infrastructure maintenance or service delivered	The design standard could be a key issue for the maintenance of gravelled regional and district roads. Experiences under RUSIRM suggest that well rehabilitated gravel roads may not be sustainable when motor traffic increases or when there are no effective speed control measures in place. Drainage structures are also quickly deteriorating again. Some bilateral donors are considering how to find an “intermediate” solution between a gravel and bitumen surfaced road depending on the type and volume of traffic.
I14	Existence of cost recovery procedures, for instance petrol taxes	See Question 2, C9/I14.
I15	Budget amounts dedicated to maintenance (actual expenditures, during the evaluated period)	See Question 2, C9/I15.
I16	Maintenance needs of the maintainable network compared to the public resources dedicated to transport	Overall and comparative figures covering all transport modes are not available.
I17	Maintenance status of infrastructure in the field	<p>See Question 2, C9/I17.</p> <p>The length-person principle as a means of carrying out routine maintenance is not applied in Tanzania. In most cases the local communities are contracted as this is considered the most adequate solution.</p> <p>As the government manages the coordination of the ‘Labour-Based Technology’ (LBT), the RFB views itself as its promoter. According to RFB officials this is an area where important progress had been made. The RFB agreement with the GoT indicates that 20% of works on the regional and district roads should be carried out by labour-based methods and GoT intends to present a national policy on this issue. A donor supported team is promoting labour-intensive methods through “appropriate technology” training.</p> <p>The SDC involves directly local communities by promoting the concept of the LBT. If this principle is correctly applied it will help in building and maintaining roads especially those in the rural areas, but LBT will also have a positive impact on poverty reduction. In relation to the maintenance of roads, the concept is supported by TANROADS. However, it is important to bear in mind that the LBT cannot be globally applied. In some cases, heavy equipment is indispensable especially in rehabilitating and constructing large trunk roads or regional roads</p>

		<p>serving high volumes of traffic.</p> <p>There is a need to establish classification and prioritisation of the rural roads networks, based on road inventories and socio-economic and environmental impact analyses, and to present road programmes at the regional and district level.</p>
C22	Increased stability of prices of staple goods	<p>The main criterion for selecting the roads being rehabilitated under RUSIRM is the production potential (maize, wood, in the future iron ore and coal) of the area, which benefits of an opening-up. Until now it has been difficult to bring inputs to these areas and for the farmers to sell their products, as private traders did not come. The price of maize in the Rudewa area used to be very low (2,000 to 3,000 Tsh per quintal). Following the opening of the roads, farmers were able to take advantage of favourable market conditions and sold their maize in 2002 at a price of 9,000 to 10,000 Tsh per quintal. More agricultural inputs available to the farmers and a higher price of maize resulted in an increase of production and a better income for the farmers.</p>
I37	Time series of prices of staple goods	Information not retrieved.
C25	Urban transport is provided at a price affordable for the poor	<p>Urban transport has not so far been an area of EC interventions in Tanzania. See also comment under Question 4, C1.</p>
I41	Transport costs as a proportion of poor households expenditures	Information not retrieved.
I42	Ratio average daily fare/minimum daily wage	Information not retrieved.
C26	Improving access to basic services was an explicit objective of the intervention	<p>RUSIRM aims primarily at promoting economic growth in the region. However, the Regional Administration Secretary in Iringa told to the mission team that vehicles operating costs and travel time have been reduced, and that passable conditions during rainy season have improved, thus facilitating access of the rural population to social services.</p> <p>See also Question 3, C23</p>
I43	Existence of reliable baseline studies and monitoring data about the use of public services	Information not retrieved.
C27	Access to basic services has improved	See above under C26

I44	Evolution of the time/cost spent to access public services	As a result of the RUSRIM project, the duration of a trip from Iringa to the Mwakete district (Rudewa) has been reduced from 8-9 hours to 3-4 hours. Transport fares have been halved.
I45	Evolution of the use of public services (school enrolment, rate of medically assisted births....)	Information not retrieved.
C28	Subsidies, if any, are targeted to the poor	No subsidies to transport services were mentioned by the interviewees.
I46	Forms of subsidies (targeted on transport companies or on specific users groups)	
C29	Negative impact on the poor have been considered and compensated	Such compensations or mitigation were not mentioned by the people interviewed by the mission team.
I47	Evidences of compensation or explicit mitigation of the negative impact of EC supported transport programmes	

Q5. How far have the Commission strategies, programmes and projects contributed to economic and political integration across political and population boundaries?

C2	Inter-sectoral linkages have been properly identified	See Question 1
I6	Existence of multisectoral policy papers in which transport is identified	<p>Tanzania is a potential maritime outlet for landlocked neighbouring countries: Zambia, Eastern part of the Republic of Congo, Burundi, Rwanda. This dimension is, however, hardly evoked in transport policy documents, which tend to consider transport needs from a strictly national point of view.</p> <p>Financing of aviation and airports in relation to regional development is not a priority, neither for the GoT nor for the EC and other donors. Aviation officials underline that high value travel/transport by air and building export processing zones around airports are ventures supporting economic development.</p> <p>According to the perception of the aviation officials, air transport is starved of investments. Money goes to other sectors (agriculture, environment) than transport, and in the transport sector priority is given to roads. Donors and the GoT consider that air transport is not a priority because it is not assumed to contribute to poverty alleviation. As a consequence investments have to be financed by loans and not by grants. The only large investment in air transport was an upgrading of the Dar es Salaam International Airport (in the late 1980s or early 1990s) financed by a grant of the French Cooperation. In 1998/99, the World Bank financed from funds remaining from the Integrated Roads Project (IRP) programme an improvement of the runway of the Kilimanjaro International Airport.</p>
C23	Flows of goods and people have increased at local, regional and international levels after EC intervention	No statistically based evidence. See, however, previous comments under Questions 3-4 in relation to the impact of RUSIRM and trunk roads rehabilitation.
I34	Traffic volumes of passengers and goods	No statistical data available.

C30	Regional transport policies and standards are being harmonised	<p>In the Eastern and South African region significant progress has been achieved, thanks to the COMESA, as regards harmonisation of trade and transport policies and standards. In particular, member states of the COMESA have adopted harmonised regulations for axle load and maximum vehicle dimensions, a common COMESA carrier's licence, harmonised road transit charges and a common vehicle insurance scheme (yellow card). As regards trade facilitation measures they have adopted a common custom declaration and a unified system for the designation and coding of merchandises.</p> <p>But Tanzania withdrew from COMESA in 2000. Of the COMESA common standards relative to transport mentioned above, Tanzania only applies the yellow card.</p> <p>Tanzania is a member together with Kenya and Uganda of the East African Community. But this organisation, recreated in 1999, has not yet undertaken concrete steps to facilitate transport between its member countries and has only recently (June 2003) come to partial agreements between its members on reciprocal reductions of tariffs.</p>
I48	Signs of EC supported regional harmonisation of rules and procedures (texts, meetings minutes, etc.)	The EC is supporting COMESA. But there is no indication that the Commission attempted to interfere with the decision of the GoT to quit the organisation.
C31	Effective regional transport corridors are in place and are used. In some cases they are connected with the TEN	<p>See Question 3, C31.</p> <p>The GoT road infrastructure priority is in the development and upgrading of the Central Corridor trunk roads from South-Eastern Tanzania (Lindi/Mtwara) via Dar es Salaam over Morogoro/Dodoma to the Lake zone (Mwanza). The Tanzam Highway is presently under rehabilitation with support from several donors. However, no specific agreements with neighbouring countries (e.g. Zambia and Kenya) have been retrieved.</p> <p>The TRC railways is also considered an important mode within the Central Corridor. It has received support from EC and the World Bank. The potentials of the TAZARA railway line has not received much donor attention except for the current World Bank assistance to prepare its privatisation through a concession.</p> <p>The new NTP document (MCT, 2003) clearly identifies the pan-territorial infrastructure as one of the major transport policy directions, but the NTP has not as yet had an influence on the GoT and donors programmes.</p>
I30	Waiting time at border crossings	See Question 3, C31/I30
I34	Traffic volumes of passengers and goods	<p>Total freight traffic at the port of Dar es Salaam has stagnated from 1998 to 2001 at around 5,5 million tons (total of export and import). Over the same period the tonnage handled at Mombasa in Kenya increased from 8.3 to 10.5 million tons.</p> <p>Since the completion in the mid-1990s of the World Bank project in support of the modernisation of the port of Dar es Salaam, no significant investment project has been undertaken to increase the capacity of the port.</p>
I49	Evidence of improvements on border infrastructure and administrative	See above under C31.

	procedures	
I50	Explicit links between MED and CIS transport infrastructure and the TEN	Not relevant.
C32	Corridors attract traffic from other routes	The Central Corridor roads have not yet been upgraded to an extent that would significantly attract traffic from other routes. However, investments on rehabilitation of the roads have a negative impact on the competitiveness of the TRC railway line.
I34	Traffic volumes of passengers and goods	See comments under Question 3, C19 and C23.
C33	Corridors allow for more effective transport services and thus reduce transport costs	See comment above under C32. The reduction of container rates could be an indication of more efficient on-land transport, but it could also be due to a more effective handling at the port or to lower ship rates.
I36	Evolution of prices such as ton/km or passenger/km	In a document on investment opportunities in the oil seeds sector, the COMESA website notes that “domestic transport in Tanzania is very expensive both for the actual cost and the time required. It costs more per ton to move vegetable oil from Dar to Mwanza than from Singapore to Dar.”.
C34	Regional transport agreements, if any, are incorporated into national laws, regulations and operational practices	See above under C 30
I18	Evidence of new laws, regulations and organisation procedures	More attention could be given by donors to enhance the introduction in Tanzania of transport regulations harmonised with those of the neighbouring countries on the model promoted by COMESA. A particular attention should be on creating an adequate regulatory framework for commercial operators.

Q6. How far have Commission strategies, programmes and projects contributed to specific sector goals?

C5	Road boards or similar institutions at national and sub-national level exist and have a real influence on the sector policy	See Question 1, C5
I9	Existence of activity reports or meeting minutes of road boards, community councils or other institutions bringing together different stakeholders	See Question 1, C5/I9
C9	Maintenance of transport infrastructure and equipment is ensured	See Question 2, C9
I12	Measures (such as funding being interrupted) have been taken by the EC when the partner government has not fulfilled its obligations notably in terms of maintenance and management of infrastructure	See Question 2, C9/I12. The EC Delegation considers that TANROADS and the Road Fund Board have done well so far, and should be consolidated and strengthened. The EC has demonstrated willingness to provide support to these organisations. A few years ago it was not too clear how far TANROADS was to be autonomous. The new draft Roads Act (May 2003) shows that there still are some backtracking attempts.
I13	Ratio recovery price to actual cost of infrastructure maintenance or service delivered	See Question 2, C9/I13
I14	Existence of cost recovery procedures, for instance petrol taxes	See Question 2, C9/I14
I15	Budget amounts dedicated to maintenance (actual expenditures, during the evaluated period)	See Question 2, C9/I15

I16	Maintenance needs of the maintainable network compared to the public resources dedicated to transport	<p>TANROADS has installed a road maintenance management system (RMMS) developed by the Transport Research Laboratory in UK ("Road Mentor"), and a bridge maintenance management system (BMMS) developed by the Norwegian Roads Authorities (under NORAD support).</p> <p>The HDM-4 software is available as well. The latest quarterly report (dated April 2003) by the EC technical assistance team to TANROADS comments that a consultancy consortium hired by TANROADS gathered a lot of data, which are presented in a report from January 2002. However, there is doubt about the prioritisation suggested. These data were also intended to be used in the HDM-4 but it became a "garbage-in-garbage-out" situation. Data on road traffic are generally only collected when needs arise (ad hoc), e.g. traffic counts have been done by a consultant in relation to the Central Corridor analyses.</p> <p>A so-called District Roads Management System has been developed for investment planning and spot improvements at the district level. It is based on a system developed in Uganda, and used at the district level to provide better planning of road investments on the core network. The RFB is backing this initiative.</p> <p>The SDC development counsellor gave a positive assessment of TANROADS' capacity at the regional level. In brief, its creation has been perceived as a positive move. Since its establishment things have been steadily improving. However, the institutional reform is still taking place. In his opinion, district authorities should play a greater role in disseminating good practices that could be applied everywhere.</p> <p>NORAD is funding a 5-year programme with the Norwegian Roads Authorities assisting the TANROADS Central Materials Laboratory (TANLAB) on long-term materials testing (cement stabilisation, sealing etc.) on a number of trial sections.</p>
I17	Maintenance status of infrastructure in the field	<p>Recently rehabilitated gravelled roads are at risk of deteriorating rapidly mainly because of inadequate and untimely maintenance, abuse and misuse of roads (e.g. too high driving speed), and overloading. In order to raise awareness among the road users and tackle the problem of overloading, the RFB has carried out discussions with all stakeholders. The RFB also advised TANROADS to employ qualified and competent weighbridge staff on a maximum of two years contract basis, and to take measures to rule out corruption.</p> <p>TANROADS has taken measures to raise the awareness of the users, such as involving the truckers associations in education actions directed towards their members; various measures have also been implemented to make axle load control effective and prevent corruption among controllers.</p>

C11	The partner government has undertaken institutional reforms aiming at improving transport effectiveness and efficiency	See comments under Question 2, C11.
I18	Evidence of new laws, regulations and organisation procedures	See comments under Question 2, C11/I18.
C12	The partner government has undertaken reforms to ensure the commercialisation of activities such as construction, maintenance and delivery of transport services	<p>As indicated under Question 2, C12, most of the works related to road maintenance and rehabilitation are no more carried out by force account but contracted to private enterprises.</p> <p>Road transport services are provided by private enterprises.</p> <p>One of the EC interventions under EDF 7 supported the Tanzania Railways Corporation (TRC) through the Central Corridor Railways Restructuring Project. However, deregulation, concessions and other privatisation issues were not included in this intervention.</p> <p>In 1998, the GoT decided to privatise the railways and TRC came under the GoT privatisation programme. The government has agreed on the principle of giving the operation of the railways on concession for 25 years. Privatisation of the TRC started in 2000. Consultants were recruited to examine the various options. They recommended a concession of the railway operations to a private operator. Infrastructure would remain property of the Tanzanian state. The concessionaire would bring in equipment (locomotives, wagons), manage the business and pay to the government a concession fee and a percentage of the revenues generated by the operations. Maintenance of the railway infrastructure would be ensured by the concessionaire, whilst heavy repairs and extension would be undertaken by the government. The tendering of concession was unsuccessful. The process is going to be launched again.</p> <p>Currently the privatisation of the TRC, which is considered a challenging problem, is supported by the World Bank. TRC officials pointed out to the mission team that privatisation of the Tanzania's railways does not solve entirely the problem as far as infrastructure should remain publicly owned.</p> <p>The TRC previously owned hotels, which have been sold together with other non-core activities. Catering in the trains has been franchised.</p> <p>Privatisation operations are managed by the Parastatal Sector Reform Commission (PSRC) under the Minister of State for Planning and Privatisation (State Minister). All public assets are under the Ministry of Finance. The PSRC is in charge of carrying out the privatisation process on behalf of the Ministry of Finance once its modalities have been approved by the Cabinet of Ministers. Proceeds of privatisation go directly to the Treasury. Each privatisation</p>

		operation is conducted by a Commission in which are represented the Ministry of Finance, the Attorney General, the Ministry of Planning and Privatisation, and the relevant line ministry, which in the case of the railway companies is the MCT.
I19	Existence and effective use of competitive procurement procedures	<p>See comments under Question 2, C12/I19.</p> <p>To ensure a smooth move from road maintenance works carried out on force account to works carried out by private enterprises, and to make a productive use of the equipment available, Equipment Hire Units (EHU) have been established in each of five TANROADS geographical zones, i.e. in Tanga, Morogoro, Lindi, Mbeya, and a small unit in Kibaha. Each EHU has its own accounts independent of those of TANROADS. The units have separate operational and replacement accounts, and the hire rates consist of two parts: one for operations and one for depreciation of the equipment. Regional Managers of TANROADS are among the customers of the EHUs to which they hire equipment for their force account. These units have proved successful as compared with the previous government equipment stations.</p> <p>TANROADS employs the manager, accountant and administrator of the EHU. The rest of the staff is employed by the unit on a performance basis. Through this system EHUs are commercially driven, and units are now able to purchase/procure their own new equipment on a self-financing basis. Eventually the units are expected to become private enterprises.</p> <p>A unit is still lacking in the Lake zone. Thus, the Regional Manager in e.g. Kigoma has difficulty in getting contractors go there. TANROADS considers it important to establish a unit in Mwanza to cover Kigoma, Bukoba, Shinyanga etc., and hopes to obtain some donor money for that purpose.</p> <p>The Central Registration Board has established a financial facility for local contractors to ensure guarantee bid bonds.</p>
I20	Evidence of competition between transport suppliers	See Question 2, C12/I20.
I21	Size of the road fund compared to the public resources dedicated to transport	See Question 2, C12/I21.
I22	Status of the staff in charge of transport services and infrastructure maintenance (is it public or private?)	See Question 2, C12/I22.
I23	Bias in competition between transport enterprises or modes	See Question 2, C12/I23.

C13	The partner government has undertaken sectoral reforms to ensure cost recovery from infrastructure users	See Question 2, C13
I13	Ratio recovery price to actual cost of infrastructure maintenance or service delivered	See Question 2, C13, I13
I14	Existence of cost recovery procedures, for instance petrol taxes	See Question 2, C13, I14
C14	There are training scheme on transport sector programming and management	<p>The view of GoT officials is that over the years a lot of capacity has been developed in public institutions, the problem being of efficient and effective utilisation of human resources.</p> <p>Representatives from the higher educational institutions pointed out to the mission team that newly graduated engineers are mainly educated in highway design (part of civil engineering) and more recently in bridge design. There is a need to train them in maintenance methods etc. and to include this topic effectively in the curricula.</p> <p>At the district level, a substantial increase of funding for district engineers convinced them that they could make a difference with new financial means. Since the 1990s, district engineers have started being involved in the process of planning and implementation, and are feeling more accountable for their road projects.</p> <p>Under the RUSIRM programme, a workshop on the bidding process and EC procedures was held for local contractors in Iringa and neighbouring regions. The RMO intends to engage the National Construction Council to arrange seminar/workshops on contract management and funding as this is an area where local contractors are weak. Training has been delivered to the contractors on how to manage their business, how to use the advance payment for the contract and not for another purpose, as there have been problems with some overdrafts, etc. At the beginning of RUSIRM the capacity of the District Councils to manage the money made available to them through the Road Fund for road maintenance was not sufficient. Thus training has been provided also to the district engineers and accountants.</p>
I24	Existence of training programmes	TANROADS has asked the National Institute of Transport (NIT) to include the axle load control issue in its training programmes for truck drivers to raise their awareness. It would also be necessary to raise the awareness of the managers of trucking companies. The NIT representatives pointed out to the mission team that truck owners look for their immediate profit. There is no regulation of the trucking industry, and no criteria to set the prices. A regulator, in the form of a professional arbitrator to ensure a fair playing ground, exists in some other sectors but is absent in the transport sector.

	<p>The SDC has been supporting a TACECA training programme since 2000 including the provision of classroom equipments and software. TACECA has not established its own Training Centre yet. The representatives of TACECA supported the idea that there should be more support from international donors for capacity building. At the same time they raised concerns about their limited involvement in the EC interventions. In the past, they had participated in a two-day training seminar on EC procedures. It was highlighted that it is vital for the future economic development of Tanzania to have a sufficient number of well-trained contractors. Hence, they strongly advocated a relaxation of some of EC requirements, notably references of previous contracts for large public works, which act as a ban against local contractors. They have the feeling that the EC is focusing on constructing the roads and not paying attention to capacity building in the domestic road construction industry.</p> <p>The University of Dar es Salaam (UDSM) Prospective College develops consultancy activities. Its clients are the public sector, private enterprises and donors agencies. The College management regrets that stakeholders of the road and transport sector, e.g. MoW and TANROADS, do not make sufficient usage of its capacities for the training of their staff and for research.</p> <p>Training of local consultants and contractors is not specified in the EC funded service contract (with DHV) that provides technical assistance to TANROADS, nor in tender documents for works contracts. There is a special programme with MoW and through the National Construction Council to train local consultants and contractors. Technical assistance and a special training component are also included in the Danida support to the Coastal (Pwani) Region and Iringa Region.</p> <p>TANROADS has a training programme running with TACECA for local consultants on how to design bridges, supervise construction work, etc., and for local contractors on how to fill in tender documents, making work plans, etc. This involves practical works financed by TANROADS, but the funds available for the programme are limited.</p> <p>In the aviation sector the Tanzania Civil Aviation Authority (TCAA) is concerned that there is currently no training capacity in Tanzania for pilots and for maintenance engineers. The age of personnel currently employed is above 40 years, and TCAA will have to care for its replacement. The Act which created the TCAA makes provision for a training fund, but money is not available. In the past UNDP provided assistance for training, but nowadays the UN agency has refocused its interventions on other sectors.</p>
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C30	Regional transport policies and standards are being harmonised	See Question 5, C30. The air transport industry in Tanzania is weak. It suffers of competition from Kenya, which has always been the hub for the whole region. After the collapse of the East Africa Community Organisation in 1977, Tanzania and Uganda have had to develop an air transport industry from scratch. Furthermore, Tanzania had a socialist-oriented regime, which did not favour a business approach to the development of the sector, and thus Tanzania lost the opportunity to undertake the reforms in time.
I48	Signs of EC supported regional harmonisation of rules and procedures (texts, meetings minutes, etc...)	The EC is strongly supportive of the efforts undertaken by Regional Integration Organisations in Eastern and Southern Africa (COMESA, EAC, IGAD, IOC) to develop their trade relations. This involve a support to the formulation and implementation of measures aiming at an harmonisation of the regulations relative to trade and to transport. Transport and telecommunications has been a focal sector of the EC Regional Indicative Programme under the 8 th EDF, and remains such under the 9 th EDF. Tanzania withdrew from COMESA, but is a member of the EAC. Among the EC regional programmes in the transport sector, Tanzania is part to the Advance Cargo Information System together with Burundi, Kenya, Rwanda, Uganda and Zambia.
C35	Staff in public institutions in charge of transport have adequate capacity	The senior management of TANROADS is considered excellent. Chief Executives of the Agency were recruited through an international call for application. The first Chief Executive was a Norwegian until September 2002. He was replaced in April 2003 by a Ghanean. The technical assistance team leader to TANROADS expressed the view that TANROADS staff dedication and professionalism are very high, compared to other countries where he has been working. If TANROADS is being consolidated, it should be able to manage efficiently the national and regional road networks. As regards the secondary network, the district level road management including PORALG has not yet got the appropriate capacity. As for the Ministry of Works, whose most qualified staff members have left to TANROADS, it has difficulties to adjust to its new policy and regulatory functions.
I51	Frequency of maintenance operation	See above under C9/I16
I52	Staff and skill mix of the public transport administration	See above under C35
I53	Budget of the ministry of transport or local authorities in charge of transport infrastructure	In the FY 2001/02, government allocation of resources to the MoW stood at Tsh 64.9 billion, equivalent to 6.2% of the total domestic revenues. Recurrent expenditures covered 75.3% of this total against 24.7% for development. Tsh 58.6 billion, that is 90% of the total allocation to the MoW, went to road sector departments, of which Tsh 31.4 billion to TANROADS.

C36	The number of accident is monitored and under control	According to the National Road Safety Council (NRSC) members, accidents are reported by the traffic police and submitted to the traffic police office on a daily basis. 18 regions are considered and well covered by the reporting system. The police submits the reports to the Ministry of Home Affairs, from where they are further distributed. The NRSC receives information on reported accidents on daily and monthly basis through the National Statistical Bureau. Annual reports on accidents are prepared by the NRSC and presented to the Ministry of Home Affairs. Presently the number of accidents is on the increase. The total number of recorded accidents in Tanzania in 1995 was 13.767, and increased to 14.548 in 2000. The figures are most probably grossly underestimated. In 1996, when the speed limits and speed governor devices were installed in Public Service Vehicles (PSVs), the accidents decreased during the first two years, then people started mingling with the devices and the accidents started increasing again (see under C43 below).
I54	Statistics of accidents	The traffic police is running the "Map 5" programme, which is a computerised accident recording system that exploits all information about where accidents happen, reasons for the accidents and provides a basis for the analysis of black spots. The system that origins from Transport Research Laboratory (UK) has not yet been fully developed such as to agree on how data will be collected and distributed and including involvement of stakeholders and roads agencies. The lack of financial means could also have a negative impact on collection and analysis of data. The "Map 5" programme started in 1995 and was established with the support and assistance of NORAD to the MoW. It is intended eventually to cover the whole country. The Safety Unit under the MoW has initiated a study related with the "Map 5" programme in collaboration with the Ministry of Home Affairs. As from 2003, the responsibility and coordination of the system is envisaged to be transferred to TANROADS. MoW and TANROADS have signed a MoU on this transfer.
C41	Traffic related accidents is a concern of EC interventions	TANROADS officials pointed out to the mission team that when the road sector reforms started in 1994/95, people did no consider accidents as a policy issue. Today they are aware of this issue and request that measures are taken. But the large number of stakeholders and institutions involved in safety issues makes the decision process difficult. MoW and TANROADS have still not defined a properly guided way to proceed on planning, design and implementation, and on how people have to be involved in an enforceable way. Safety auditing is still a concept under consideration only. It was pointed out by a MCT official as a positive aspect that the safety issue is addressed in the new National Transport Policy (NTP) document (MCT, March 2003). However, although the NTP document refers to safety in several sections, it does not present or suggest a separate road safety strategy and programme.

		An analysis (funded by SIDA) started in June 2003 with SweRoads assisting TANROADS to prepare a National Road Safety masterplan, including black spots analysis, and covering both Tanzania Mainland and Zanzibar. The Road Fund is expected to fund some safety works.
I54	Statistics of accidents	See above under C36/I54
C42	Pedestrian and other NMT users are targeted by safety measures	<p>Due to the high number of people and vehicles concentrated in Dar es Salaam, 40% of the accidents take place in the capital city. The City Council of Dar es Salaam has launched a study programme that aims at promoting non-motorised traffic (NMT) with a focus on the use of bicycles and buses and the introduction of a rapid bus system. With the support of the Government of the Netherlands and of the United States, a three-days seminar was held in May 2003 where experts from the Netherlands, US and Bogota presented their experiences on bus traffic. It is envisaged that this study will be completed in 2005, and the Dar es Salaam City Council plans to introduce the Bogota system on some routes in 2005.</p> <p>The NRSC is trying to promote safety through education at primary schools. For the time being this is only done in a pilot region. The annual road safety week is also targeting school children (through drama, singing, dance, drawing competitions) through the whole country.</p>
I59	Observable adaptation of infrastructure supported by the EC aiming at protecting pedestrians	<p>Under RUSIRM, road signs are provided but not much observed by road users. Villagers are now claimed to be more aware of the risks of car traffic. However, speed of vehicles on rehabilitated gravel roads has increased significantly and no physical measures are provided to reduce the speed through villages, etc.</p> <p>The mission team noted on a two lanes wide rehabilitated regional road that the presence of narrow bridges with only one traffic lane was not marked with sign posts etc..</p> <p>More attention could have been given to the needs and safety of pedestrians and NMT when designing the Nelson Mandela Road in Dar es Salaam.</p>
C43	Safety related regulatory frameworks are improved and enforced	<p>In 1996, the Road Traffic Act was amended with the view of improving safety in the road traffic. Maximum speed on highways is limited at 80 km/h. In urban centres and in some other areas the speed limit is 50 km/h. "Speed governors" were installed in the PSVs, but the devices were being tampered with and in the end have proved to have no practical effects. The new Act requests that all drivers should attend driving schools before applying for a driving licence. It also limits to 8 hours the maximum driving time of a driver of heavy truck.</p> <p>Enforcement of these regulations is problematic. The current level of the fines is said to be too low for being an effective deterrent to violations. There are very few inspectors to control road-worthiness of vehicles, speed governors in PSVs, etc. Another main problem is the lack of modern vehicle inspection equipment.</p> <p>Within a short time TANROADS envisages that safety audits will be carried out on all projects design and works,</p>

		<p>and that the agency will start removing black spots. TANROADS officials confirmed that the agency is committed to the safety issue and will continue to mitigate safety risks not only on new roads but also on existing roads. Road humps are being constructed on rehabilitated trunk roads through villages and other speed sensible areas (e.g. along the Tanzam Highway).</p> <p>National Road Safety Council (NRSC) members underlined to the mission team that all relevant stakeholders are represented in the regional Road Safety Committees, and that TANROADS participates in the formulation of safety measures. In spite of some demand for accidents prevention measures, changing the mindset of people is still necessary. For example, it was pointed out that politicians are highly interested in having roads constructed or rehabilitated in their constituency, but do not pay much attention to safety issues.</p> <p>According to MCT officials, all safety matters should be brought under the same institutional umbrella, but this process has not gone very far yet. Safety is an area of a lot of confusion, and the issue is dealt with in a highly fragmented way. MCT, MoW, PORALG, Ministry of Home Affairs etc. are involved in the implementation of safety related measures.</p> <p>Recently a body named "Surface and Maritime Transport Regulatory Authority" (SUMATRA) has been designed at the initiative of the MCT. Although the relevant legislation was not yet in place in June 2003, the MCT expected this body to start its activity before the end of 2003. SUMATRA would deal with safety, regulatory and economic aspects of overland and maritime transport. But the MoW is coming up with proposal for a similar regulatory body dealing with road safety, axle load control, etc.</p>
I60	Evidences of EC support given to enforcement of safety regulations	There has not been any EC project specifically dealing with safety regulations.

Q7. To what degree have the Commission strategies, programmes and projects contributed to improvements in health and safety and in environmental impact?

C37	Environment is a concern guiding EC interventions	Environmental concern is generally accepted as a guiding principle in EC interventions, and environmental impact assessment is a requirement in feasibility studies.
I55	Existence of environmental assessments and monitoring data	Specific information has not been retrieved.
C38	The design of EC interventions includes measures to protect the environment	On regional gravel road rehabilitated under the RUSIRM programme, the dust nuisance, due to very high speed (often more than 100 km/h) of motor vehicles, has become a significant environmental problem. This is negatively affecting the nearby communities and their crops and vegetation. There are potentials for including targeted measures in the tender dossiers for works contracts.
I56	Observable measures aiming at preventing or mitigating environmental damages of EC financed transport interventions	As for the dust problems along RUSIRM gravel roads there is no clear solution identified yet. The Iringa Regional Administration Secretary suggested that it might be more economical to build paved roads on certain sections, because the need for maintenance would then be lower. August-September is even a worse period for dust. The RMO has considered to prime/seal the road surface, but it requires an unaffordable amount of money. In the future financing should have to take care of such problems.
C39	The EC supports the mitigation of the direct impact of infrastructure on populations (especially women)	This is supported in principle, but also in this case there are potentials for including targeted measures in the tender dossiers for works contracts.
I57	Observable resettlement conditions	Since the EC supported projects were rehabilitation works, they did not imply resettlements.
C40	The EC supports the mitigation of the environmental impact of traffic	See above under C38
I58	EC supported measures to mitigate noise or gas emissions	No information retrieved.
C41	Traffic related accidents is a concern of EC interventions	See Question 6, C41.
I54	Statistics of accidents	See Question 6.

C42	Pedestrian and other NMT users are targeted by safety measures	See Question 6, C42.
I59	Observable adaptation of infrastructure supported by the EC aiming at protecting pedestrians	See Question 6.
C43	Safety related regulatory frameworks are improved and enforced	See Question 6, C43.
I60	Evidences of EC support given to enforcement of safety regulations	See Question 6.
C44	The EC is concerned by the impact of transport interventions on health	The Delegation confirmed that a lot of work has been done of the HIV/AIDS issue. There might be potentials for including targeted health measures in the tender dossiers for works contracts.
I61	Monitoring data of the impact of EC infrastructure on health	RUSIRM: The number of people attending health care facilities has increased substantially. Infant mortality has decreased. But this is not an outcome of the sole rehabilitation of the roads; other factors have played a role as well.
C45	Specific measures of health protection are taken when transport infrastructure reaches isolated populations	As regards HIV/Aids, environmental requirements and the gender issue, district programmes cannot be approved by the RFB without these concerns. The District Committees are also overseeing that these concerns are taken into account. The GoT has established a specialised and quasi-autonomous agency, TACAIDS, in charge of coordinating all interventions related to AIDS. A programme of priority interventions has been defined as part of the PRSP.
I62	Evidences of health protection / AIDS programmes supported by the EC	Environmental protection and HIV problems are taken into consideration when the designs for the roads are made, said the officials of the MoW. No specific information or examples to prove evidence have been retrieved.
C46	The EC supports AIDS/HIV programmes for those that can be affected by the transport intervention	As regards HIV/AIDS, the regional administration in connection with the RUSIRM programme has encouraged the activity of NGOs and of institutions of the health and education sector to tackle this issue. Efforts have also been made to raise the awareness of contractors on this issue. The Mwakete District was unfortunately affected by HIV/Aids before the RUSIRM programme, due to migrate labour going out to the timber areas and tea plantations. USAID has financed CARE-Tanzania to support community based NGOs.
I62	Evidences of health protection / AIDS programmes supported by the EC	No specific information retrieved in relation to the EC interventions in the roads sub-sector.

Q8. How far have strategies, programmes and projects sponsored and funded by the Commission, and the conditions and context of such funding, contributed to ensuring a gender sensitive access to transport services, as well as equal access to members of minority or disadvantaged populations?

C6	Non-governmental stakeholders (traders, transporters, minority groups, women, ...) have been involved at different stages of the intervention cycle	The PRSP was prepared through a participatory process. In particular, Zonal Workshops were held in year 2000 in seven zones. These workshops were attended by 804 participants of which 180 were women. However, gender issues are not explicitly addressed in the PRSP. Enrolment figures at different levels of the education system are the only monitoring indicators of the PRSP that are disaggregated by sex. As regards specif transport policy documents, transport programmes and transport projects, there is no indication that stakeholders representing women's view were consulted.
I10	Evidence of consultations, discussion groups, community councils, public debate notably in local press, etc. at the different stages	See Question 1, C6/I10
C8	Stakeholders feel their views have been taken into account and have contributed to improve the project's impact	See Question 1, C8
I11	Subjective perception expressed by the stakeholders of effective participation to the decisions	See Question 1
C39	The EC supports the mitigation of the direct impact of infrastructure on populations (especially women)	See Question 7, C39
I57	Observable resettlement conditions	See Question 7
C45	Specific measures of health protection are taken when transport infrastructure reaches isolated populations	See Question 7, C45
I62	Evidences of health protection / AIDS programmes supported by the EC	See Question 7, C45/I62

C47	National and sectoral policies are conducive to transport interventions sensitive to gender and minority issues	<p>The Tanzania Social Action Fund (TASAF), funded by the World Bank and coordinated by PORALG, is implementing actions targeting the poor. This includes support to primary schools, dispensaries and rural roads.</p> <p>No specific information has been retrieved about EC interventions.</p>
I63	Gender and minority issues are incorporated into the national development and/or transport strategy	<p>The PRSP addresses these issues in general.</p> <p>The NTP document (MCT, 2003) includes the issues of improving access to social services for people in remote districts and villages, non-motorised transport services to the rural population, and transport for disadvantaged groups in urban areas.</p>
I64	Existence of indicators and gender disaggregated data collection system	No information retrieved.
C48	Project design is gender sensitive, notably in the case of labour intensive works	<p>Gender issues have been integrated into the roads projects financed by the SDC and implemented through labour-intensive methods. It is estimated that about 30% of the labour force employed on these projects should be women. Besides this it was underlined that special attention has to be paid in order to avoid situations, where road works would be in competition with taking care of children and fieldwork or make the workload of women excessively heavy.</p> <p>DANIDA requests and pays a gender specialist attached to the contractor on DANIDA funded trunk roads rehabilitation works contracts e.g. on the Morogoro-Dar es Salaam section.</p> <p>In all USAID projects, women were engaged in routine road maintenance, and it was said that their situation has significantly improved with the opening of rehabilitated roads. For example, this resulted in an increase of their mobility, an easier access to dispensaries and education institutions, and created possibilities for small trade. This is also said to be an impact of the EC funded RUSIRM programme.</p>
I65	Evidence of gender sensitivity in baseline studies or impact monitoring of EC financed programmes (notably labour intensive works)	No specific information retrieved.

Q9. To what extent has the design of Commission-sponsored strategies, programmes and activities, especially the choice of beneficiaries, funding instruments and donor mix (including EIB) facilitated the achievement of specific objectives established for the sector?

C1	EC interventions are designed and carried out in the framework of a national sectoral policy	See comments under Question 1 and Question 4, C1. The IRP has provided a common and multi-donor programme framework.
I1	Existence of a sectoral policy document	See Questions 1 and 4, C1/I1.
I2	Reference to national priorities in EC project documents	See Question 1 and 4, C1/I2.
I3	Delegation organises/participates in relevant coordination meetings with partner government	See Question 1, C1/I3.
I4	Delegation organises/participates in relevant coordination meetings/activities with other donors	See Question 1, C1/I4.
I5	There is a MTEF and an annual budget	See Question 1, C1/I5.
C2	Inter-sectoral linkages have been properly identified	See Question 1, C2.
I6	Existence of multisectoral policy papers in which transport is identified	See Question 1, C2/I6. Coordination and labour division among donors need to be defined with a view to increased focus on rural roads and on other modes of transport including operations.
C3	The Delegation plays an active role to promote and lead coordination and complementarity with other donors specially MS and the WB	See Question 1, C3.
I4	Delegation organises/participates in relevant coordination meetings/activities with other donors	See Question 1, C3/I4.

I7	Agreement of common donor approach	See Question 1, C3/I7. Donor focus is on the MoW as line ministry and with PORALG for those donors directing their support towards the rural roads segment. Bilateral donors consider contacts with MoW easier than with PORALG partly due to the location of PORALG HQs in Dodoma. No particular donor contacts with the MCT have been revealed, as the main focus has been on road infrastructure.
C5	Road boards or similar institutions at national and sub-national level exist and have a real influence on the sector policy	See comments under Question 1, C5 and Question 2, C5.
I9	Existence of activity reports or meeting minutes of road boards, community councils or other institutions bringing together different stakeholders	See comments under Questions 1 and 2, C5/I9.
C6	Non-governmental stakeholders (traders, transport operators, minority groups, women, ...) have been involved at different stages of the intervention cycle	See comments under Question 1, C6.
I10	Evidence of consultations, discussion groups, community councils, public debate notably in local press, etc. at the different stages	See comments under Question 1, C6/I10.
C8	Stakeholders feel their views have been taken into account and have contributed to improve the project's impact	See comments under Question 1, C8.
I11	Subjective perception expressed by the stakeholders of effective participation to the decisions	See comments under Question 1, C8/I11.

C9	Maintenance of transport infrastructure and equipment is ensured	See comments under Questions 2 and 3; C9.
I12	Measures (such as funding being interrupted) have been taken by the EC when the partner government has not fulfilled its obligations notably in terms of maintenance and management of infrastructure	See comments under Question 2, C9/I12.
I13	Ratio recovery price to actual cost of infrastructure maintenance or service delivered	See comments under Question 2, C9/I13.
I14	Existence of cost recovery procedures, for instance petrol taxes	See comments under Question 2, C9/I14.
I15	Budget amounts dedicated to maintenance (actual expenditures, during the evaluated period)	See comments under Question 2, C9/I15.
I16	Maintenance needs of the maintainable network compared to the public resources dedicated to transport	See comments under Question 2, C9/I16.
I17	Maintenance status of infrastructure in the field	See comments under Question 2, C9/I17.
C10	The Delegation plays an active role to ensure commitment from partner country to guarantee adequate management and maintenance of infrastructure	See Question 2, C10.
I3	Delegation organises/participates in relevant coordination meetings with partner government	See Question 2, C10/I3.
I8	Sectoral approach agreed with the government	See Question 2, C10/I8.
I12	Measures (such as funding being interrupted) have been taken by the EC when the partner government has not fulfilled its obligations notably in terms of maintenance and management of infrastructure	See Question 2, C10/I12.

C11	The partner government has undertaken institutional reforms aiming at improving transport effectiveness and efficiency	See Question 2, C11.
I18	Evidence of new laws, regulations and organisation procedures	See Question 2, C11/I18.
C12	The partner government has undertaken reforms to ensure the commercialisation of activities such as construction, maintenance and delivery of transport services	See Question 2, C12. The following example illustrates the need for concerted donor action on railways restructuring and privatisation: Preparation of the TRC concession tender was supported by a US\$ 1.5 million loan by the World Bank. Technical assistance for preparation of the tender dossier was provided by a consultant (CIE, Ireland). The concession was tendered in October 2002 with a deadline in January 2003 for presentation of the bids, and the concessionaire should have been identified by March 2003. However, the tender failed. The tendering conditions are currently being revised in order to make the concession more attractive to the would-be concessionaire. In May 2003, the PSRC was looking for funding at an amount of US\$ 400,000 (from DFID and/or the World Bank Group) to recruit another international consultant as concession adviser in charge of revising the tendering documents. Expression of Interest was expected to be launched by the end of June 2003, and PSRC hoped to be ready for pre-qualification by end-July 2003.
I16	Maintenance needs of the maintainable network compared to the public resources dedicated to transport	See Question 2, C12/I16.
I19	Existence and effective use of competitive procurement procedures	See Question 2, C12/I19.
I20	Evidence of competition between transport suppliers	See Question 2, C12/I20.
I21	Size of the road fund compared to the public resources dedicated to transport	See Question 2, C12/I21.
I22	Status of the staff in charge of transport services and infrastructure maintenance (is it public or private?)	See Question 2, C12/I22.
I23	Bias in competition between transport enterprises or modes	See Question 2, C12/I23.

C13	The partner government has undertaken sectoral reforms to ensure cost recovery from infrastructure users	The NAO officials have noticed that the Delegation favours a move towards sector budget support and is taking a lead among donors in this matter. Budget support and direct financing support to the Road Fund would be a quick way of disbursement. But a prerequisite is that policy conditions are met, notably as regards the institutional set-up and transparent public budget financial management. (See on this issue the problems raised by the draft Roads Act, which reflects a tendency to reverse the achievements of the roads sector reform process).
I13	Ratio recovery price to actual cost of infrastructure maintenance or service delivered	See Question 2, C13/I13.
I14	Existence of cost recovery procedures, for instance petrol taxes	See Question 2, C9.
C49	Recommendations of past sector and project evaluations have been implemented	This has been the case for the road sector reform process in Tanzania, where the implementation of a sector approach resulted in very positive achievements during 1995-2001.
I66	Changes in EC practices, policies and strategies have been formulated or updated	Follow-up has been pursued in the policy dialogue with GoT and in the annual reports.
I67	Project documents are filed and accessible for reference and evaluation purposes	Yes.
I68	Feasibility studies	Pre-feasibility and feasibility studies are an obligatory request prior to a Financing Proposal/Financing Agreement.
I69	Assessment of indirect environmental impact	Included as a component in feasibility studies.
I70	Assumptions and risks clearly stated	Yes
C50	Projects are designed according to PCM and EcoFin and according to the transport sector guidelines	See Question 1, C50
I71	The problem addressed by the intervention has been clearly and explicitly identified	See Question 1, C50
I72	The objective of the project is clearly stated and explicitly addresses the problem identified	See Question 1, C50
I73	Overall objectives and project purpose are clearly and correctly differentiated	See Question 1, C50

I74	The objectives of the project are quantifiable and are effectively quantified	See Question 1, C50
I75	Project identification and formulation documents	See Question 1, C50
I70	Assumptions and risk clearly stated	See Question 1, C50
I76	PCM/ECOFIN conformity of the structure of financial proposal and of the project implementation and monitoring documents, including ToR	See Question 1, C50
C51	Project managers are well aware and understand correctly tools such as PCM and ECOFIN	
I76	PCM/ECOFIN conformity of the structure of financial proposal and of the project implementation and monitoring documents, including ToR	Conformity of project documents with PCM/ECOFIN is ensured.
I77	QSG reports on the use of tools	Not relevant at this stage (no interview with the QSG).
I78	PCM and ECOFIN Help Desk reports on the use of tools based on their Help Desk experience	Not relevant at this stage (no interview with the Help Desk).
I79	PCM and ECOFIN Help Desk reports on awareness and understanding of tools based on their training experience	Not relevant at this stage (no interview with the Help Desk).

Q10. To what extent has the implementation and delivery by the Commission-of support to transport projects facilitated the achievement of objectives, and if so, how has it benefited from the available tools of a sectoral approach?

C49	Recommendations of past sector and project evaluations have been implemented	The recommendations have definitely been taken into account concerning the EC approach to institutional reforms in the roads sub-sector. See also comment under Question 9, C49.
I66	Changes in EC practices, policies and strategies have been formulated or updated	EC interventions are still confined mainly to road infrastructure and its institutional framework, including in EDF 9. An overall sector-wide approach involving the transport sector as a whole is not yet in the picture. This would also require a common donor agreement and coordination. The lengthy EC project implementation procedures, including procurement, constitutes a global issue that cannot be resolved by individual stakeholders such as the Delegation.
I67	Project documents are filed and accessible for reference and evaluation purposes	Yes.
I68	Feasibility studies	Whether design problems occur depends on the nature of the road project. One particular experience was backlog maintenance on the Morogoro - Dodoma section where the budget for works was not sufficient. Additional budget had to be transferred from the Nelson Mandela Road (former "Port Access Road") in Dar es Salaam, which was not intended in the original plan. Over four years delays have occurred on the commencement of this project, and in the meantime the maintenance concept for the road has changed, e.g. the need for more access facilities along the Nelson Mandela Road.
I69	Assessment of indirect environmental impact	Included as a component in feasibility studies.
I70	Assumptions and risks clearly stated	See Question 9, I70
C51	Project managers are well aware and understand correctly tools such as PCM and ECOFIN	See Question 9, C51

I76	PCM/ECOFIN conformity of the structure of financial proposal and of the project implementation and monitoring documents, including ToR	See Question 9
I77	QSG reports on the use of tools	See Question 9
I78	PCM and ECOFIN Help Desk reports on the use of tools based on their Help Desk experience	See Question 9
I79	PCM and ECOFIN Help Desk reports on awareness and understanding of tools based on their training experience	See Question 9
C52	Projects are managed according to PCM and ECOFIN and according to the transport sector guidelines	This question will be answered through interviews with the QSG and Help Desk
I76	PCM/ECOFIN conformity of the structure of financial proposal and of the project implementation and monitoring documents, including ToR	
I77	QSG reports on the use of tools	
I78	PCM and ECOFIN Help Desk reports on the use of tools based on their Help Desk experience	
I79	PCM and ECOFIN Help Desk reports on awareness and understanding of tools based on their training experience	
C53	Projects have achieved their planned outputs	TAA officials informed the mission team that in 1998/99 the EC also financed the rehabilitation of Mwanza airport at approximately Euro 7 million (under the special programme for refugees affected areas). The EC financed a resurfacing of the runway at the Mwanza airport that had an extremely low capacity. No other investments have been made on this airport than the one financed by the EC. The project started as an assistance programme to a region affected by a large inflow of refugees, and the EU Delegation was strongly supportive. EC provided technical assistance, but also support on procedural issues (processing of payments, etc.). Everything was done very

		<p>expeditiously as it was an emergency project. The procurement and recruitment of consultants and contractor went smoothly as well. Adjustments to the project (a longer and strengthened pavement of the runway) took place during its implementation.</p> <p>The road user associations informed the mission team that they appreciate the EU support to road investments. However, a few problem issues were strongly raised: Procedures take very long, and “it is better that the EU does not talk than it talks and does not implement”. An example given in support of this assessment is the rehabilitation of the Morogoro - Dodoma road where the project is in its 3rd year but the contractor has not even started yet. The representatives of the road user associations did not know whether the problem lies in the GoT or EU. The processing apparently needs to be improved, and due to the delays people start quarrelling about the seriousness of EU willingness to implement.</p>
I80	Project-specific effectiveness indicators available in project documents	See under C53
C54	Projects planned and implemented in the framework of a sector wide approach are more effective	Technical assistance to TANROADS: The planning and budgeting tools of TANROADS have been defined. A lot of these tools were already developed through DFID assistance (by the UK based Transport Research Laboratory, TRL) but they have to be refined.
I80	Project-specific effectiveness indicators available in project documents	See under C54
C55	Projects financed by the EC in cooperation or coordination with other donors are more effective	<p>RUSIRM: According to the Regional Administration Secretary in Iringa, this project has had more impact at the Iringa regional level than other projects, notably more than the highway rehabilitation projects. Danida will take on similar projects in the Iringa region.</p> <p>Officials from the Tanzania Airports Authority (TAA) informed the mission team that TAA has a preference for EIB compared to other lenders, because of its historical experience with the EIB. Until recently all efforts and focus were concentrated on the roads sector. Now aviation is coming up due to increased awareness of its importance. But the World Bank refused to finance aviation facilities as this issue was never a World Bank priority. The AfDB, which financed an aviation study, refused to finance the implementation. The same happened with the Commonwealth, which funded a study on airports in Bukoba and Mbeya, but follow-up on funding was more difficult. Private banks could have lent money, but their conditions were not acceptable under the IMF conditions for Tanzania. The French Cooperation was positive but considered that the conditions were not met (not enough involvement of the private sector); it nevertheless financed a review of the aviation civil service sector. The EIB has been more open and proposes conditions that are acceptable. TAA has an arrangement with the Dutch Civil Aviation Authorities, which helped at obtaining 50% of the project financed by a grant of the Dutch</p>

		Government. EIB was very cooperative. It accepted to look at the loan requirements and at its processing. The decision to provide a loan is processed much faster by the EIB than by the World Bank. But here again the TAA's relations with the Dutch Civil Aviation Authorities helped with establishing earlier contacts with the EIB. Nevertheless it was difficult to bring together the two sources of financing, as conditions for processing and transfer were different. The Dutch Government wanted all the money, including the EIB loan, to be deposited in a Dutch bank. EIB eventually agreed with this condition provided disbursements are authorised by TAA/EIB. Furthermore, TAA has applied for a Euro 100 million loan from the EIB. But the EIB wants the feasibility study to be reviewed or developed. This project would cover a number of airports and would enhance some of them to international standards. 50% of the financing needs have already been obtained from a grant of the Dutch Government. The EIB is asked to provide the remaining 50%.
I80	Project-specific effectiveness indicators available in project documents	In RUSIRM, the Regional Manager's Office (RMO) engineers do regular surveys/assessment of road conditions. Traffic counts are only carried out if the RMO thinks that there is a need (ad hoc). Road technicians arrange the counts by employing local people.
C56	Projects planned and implemented according to the PCM, ECOFIN and sector guidelines are more effective	All projects are planned and implemented in conformity with the PCM and ECOFIN.
I80	Project-specific effectiveness indicators available in project documents	See under C56.
C57	Project monitoring is carried out according to PCM	<p>There is a discrepancy between the EU and the World Bank approaches to the set of road monitoring indicators, ref. various draft lists of indicators, and a need for ensuring consistency, concerted action and coordination between the various studies.</p> <p>A World Bank study is expected to be launched in 2004 on "performance indicators for the road sector in Tanzania" in relation to the national poverty reduction strategy. Also PIARC (the World Roads Association) and OECD have come up with road indicator proposals.</p> <p>EC (DG DEV) is pursuing development indicators to be clearly set up. At a workshop/meeting held in Brussels (December 2002?), it was suggested that Tanzania should join the proposed EU programme for the elaboration of road sector monitoring indicators in five countries (Ethiopia, Cameroon, Malawi, Ghana and Benin). EC is currently elaborating the indicators, and suggests a distinction between impact, performance and process indicators. On paved roads, TANROADS carry out visual inspections and an annual inventory based on roughness measures etc. The RFB has requested TANROADS to do quarterly road conditions survey, which might be considered unrealistic although TANROADS has agreed. TANROADS is preparing the TOR for a study to establish baseline</p>

		and monitoring indicators for the roads sector in relation to the impact on poverty reduction.
I81	Monitoring reports	<p>In works contracts, supervision is part of the internal monitoring system.</p> <p>The external monitoring system was introduced and developed for ACP and ALA countries in 2000. It involves an annual monitoring visit to a sample of projects in each country, and reports are accessible in the CRIS database.</p> <p>The monitoring reports could provide important feedback into the PCM. As for the EC transport sector interventions in Tanzania, only three projects have been targeted by external monitoring so far:</p> <ol style="list-style-type: none"> 1) Kigoma-Nyakanazi road under the special programme for refugees affected areas (7ACP RPR 641 + 7ACP TA 98); 2) Rehabilitation of Mwanza roads (8ACP TA 10 + 8ACP ROR 03); 3) RUSIRM (7ACP TA 95 + 7ACP TA 96).
I82	Project monitoring indicators	The indicators/criteria of the external monitoring system are global (relevance, efficiency to date, effectiveness to date, impact to date, potential sustainability).
C58	Mid-term, end of project and ex-post evaluations are carried out at an appropriated time and recommendations are transformed into decisions	<p>In the RUSIRM programme, a mid-term review was carried out and findings were timely considered.</p> <p>The AWPB instrument used in RUSIRM ensures that the rehabilitation projects are being entirely carried out by local contractors. During phase I, the programme also provided training to local small-scale contractors on technology and management, including on how to get informed on tenders, how to prepare a bid, how to assess the costs and set up a price. The projects were split in small packages. This made it possible to involve a larger number of contractors and to have the works completed more rapidly. A problem during the first year of the programme was that the AWP could not be endorsed in time. Annual auditing could also cause a problem/delays as each year the auditors have to be appointed/re-appointed. The RMO advised that there is a need to find ways of minimising the time it takes to endorse things.</p>
I83	Evaluation reports	As mentioned above under C57/I81, three projects have been included in the external monitoring programme.
I84	Timing of evaluations	<p>Normally the sequence for larger projects with longer duration is: 1) mid-term review (which is actually an in-depth monitoring) two years into the implementation period, 2) final review/evaluation before one year after project completion.</p> <p>A mid-term review has been carried out on the RUSIRM programme.</p>
I85	Structure of evaluation reports	Project specific.
I86	Evidence of follow-up of the main conclusions and recommendations	The mid-term review recommendations on RUSIRM were followed up with adequate adjustments, which have facilitated the implementation and impact (e.g. by carrying out training initiatives targeting the training needs of local contractors, see above under C58).

5. Other findings

This section gives a short description of some issues related to the implementation of EC interventions, which were presented to the mission team during the interviews of various stakeholders but could not be properly reflected in the previous chapters.

5.1 Length of procedures

Several stakeholders claimed that the EC project implementation procedures are too slow and lengthy. This appears to constitute a generic and global problem issue applying to all EU development programmes.

According to TANROADS officials the problem is related to the EC project cycle management. There is an in-built inertia in the form of feasibility studies, detailed engineering etc. that takes 2½ year, followed by the tendering process that takes one more year.

NAO officials noted that the EC is apparently not confident that GoT institutional reforms will be progressing along agreed lines. Thus EC has postponed decisions or withhold their approval, etc. As a result, the overall implementation process of a road project might take even 10 years. TANROADS officials observed that the process is quite lengthy even if everything is running smoothly, and relatively longer than it is the case for other donors. A contributing reason might be that the main decisions are taken by the EC Headquarters in Brussels even during the implementation of works contracts, e.g. if contractor's claims imply additional funding.

5.2 Deconcentration

The Delegation has been “deconcentrated” since January 2002. The deconcentration is considered by the Delegation to have very positive aspects, and the capacity of the Delegation has been enlarged. Before the deconcentration there was only one staff member of the Delegation in charge of infrastructure, and it was impossible to ensure a follow-up.

Previously, in comparison with other donors, there was a huge gap between the volume of financial resources managed by the Delegation and its human resource capacity. The Delegation has now a better capacity to manage the projects and at the same time to be active in the policy dialogue with the GoT. Field visits are motivating the staff, and training takes place on project cycle management and logframe.

As regards financial management, the deconcentration should be able to accelerate the processes, but improvements will take a bit longer, as the Delegation is still in the learning phase. EC Brussels also has to revise its role and to move to support, as some individuals in the EC are actually doing, in order to perform a guidance role. It is not yet perfectly clear if EC Brussels will eventually see itself in this role.

A remaining problem is that EC Brussels still decides on Financing Agreements, although everything is prepared by the Delegation. Some 42 signatures were needed from the EC in Brussels e.g. to extend by 12 months a Financing Agreement. The Delegation officials suggested that Delegations should be given the authority to extend a Financing Agreement by 50% of its initial duration without having to request the approval of EC Brussels.

The turnover of the EC staff is high compared to the duration of infrastructure projects (5 years and more) and as a result corporate memory is lost. International contractors (e.g. from South Africa) have very skilled lawyers. Are the EC and the national contracting authority equipped to match and deal with them e.g. in relation to claims?

5.3 Works contract implementation

For works contract under Euro 5 million, a fast procedure can be managed by the Delegation. Service contracts, whatever their amount, must be approved by EC Brussels. This results in too small budgets being allocated to design and to supervision. Instead these should be estimated as a given percentage of the works budget.

The new EC budgetary regulation states that once a Financing Agreement has been signed, contracts have to be signed within a period of 3 years and disbursements must take place within 3 years from the commitment date. This is inappropriate for infrastructure projects, as during their implementation new problems may arise that request new contracts. A practical solution would be to have separate Financing Agreements for the various phases (e.g. for the preparatory phase and the implementation phase respectively) of a given project. The new regulation also requests that for service contracts above Euro 200,000 there must be a call for expression of interest (after an advance notice), and international tender is required if it is above Euro 2.0 million. All steps being considered, at least one year elapses before a consultancy company can be contracted to prepare the design of a road.

5.4 Relations with the NAO

The EC procedures are also considered cumbersome by the NAO. A consequence is for example, that the RUSIRM project, financed from EDF 7, is only being implemented now. Decisions are taken in Brussels, where people in order to make their decisions ask a lot of small questions, and answering to these questions requests time. The NAO expects that the decentralisation will make things easier. However, there has not yet been any change demonstrated, probably because this is still the preparation phase of EDF 9; changes should be more visible at the implementation phase.

NAO officials expressed to the mission team that the sector approach is a big issue with all donors, but that it could be made easier by a closer coordination between donors. Reporting implies to put in place a monitoring system, which requires a lot of data and of know-how. Frequently the basic information is not available. Instead of having a unified reporting format, each donor has its own format. Delays are tied up to this approach and a

uniform reporting approach is strongly needed. It would probably be easier to report on budget support.

NAO officials also noted that there is a need for capacity building. In practice a lot of foreign consultants come to do the job without ensuring a transfer of knowledge. This very much worries the GoT.

Annex 1 - People Met

Date	Person	Institution and Position
9/06/2003	William Hanna	Delegation of the EC; Head of Delegation
	George MacDonald	Delegation of the EC; Counsellor, Infrastructure
	Anthony Knott	Delegation of the EC; First Counsellor Infrastructure
	Frederic Woringer	Delegation of the EC; Programme Officer, Infrastructure
	Maryhellen Minja	Delegation of the EC; Programme Officer, Infrastructure
10/06/2003	Abisai N. Temba	Ministry of Communications and Transport; Director of Policy and Planning Division
10/06/2003	P.J. Kyesi	Tanzania Railways Corporation; Coordinator of the Railways Restructuring Project
10/06/2003	Joseph Odo Haule	Road Fund Board; Road Fund Manager
	R.W. Lwakatare	Road Fund Board; Planning and Monitoring Engineer
	C.R. Massawe	Road Fund Board; Planning and Monitoring Engineer
10/06/2003	Richard Musingi	President's Office for Regional Administration and Local Governments; Director of Regional Coordination
11/06/2003	Daudi M. Msangi	Ministry of Finance; Deputy National Authorising Officer, EDF Desk
11/06/2003	Nshoya S.N. Magotti	Presidential Parastatal Sector Reform Commission; Principal Consultant
11/06/2003	Emlaelu Worade	Tanzania Road Users Association; Chairman
	Shifarrow Bizuneh	Tanzania Road Users Association; General Secretary
	Ray Sengéngé	Tanzania Road Users Association; Vice-Chairman
	Abdul A. Awadh	Tanzania Road Users Association; Hon. Secretary
11/06/2003	Dr. Addo Abedi	TANROADS; Chief Executive
	F.T. Marmo	TANROADS; Director of Maintenance
	Chacha S. Mwita	TANROADS; Director of Technical Services
	Salum Sasilo	TANROADS; Principal Highway Engineer for Director of Development
11/06/2003	Benson Ateng	World Bank; Senior Operations Officer
11/06/2003	L.J. Mujjungi	Ministry of Works; Director of Trunk Roads
	Humson S. Makundi	Ministry of Works; Director of Policy and Planning
	P. Mfugale	Ministry of Works; Director of Regional Roads
	?	Ministry of Works; Senior Economist
12/06/2003	Dr. Martti Eirola	Embassy of Finland, Counsellor
12/06/03	Eng. Joseph M. Chuwa	Association of Consulting Engineers Tanzania; Hon. Secretary (Tanconsult Ltd)
	Exaud A. Mushi	Association of Consulting Engineers Tanzania (Nordplan)
	Mohamed R. Meghji	Association of Consulting Engineers Tanzania (M-Konsult Ltd)
12/06/03	Peter Arnold	Swiss Agency for Development and Cooperation (Swiss

Date	Person	Institution and Position
		Development Cooperation); Counsellor
12/06/2003	William D. Bocco	Tanzania Civil Engineering Contractors Association; Vice-Chairman
	Clement P. Mworio	Tanzania Civil Engineering Contractors Association; Executive Secretary
	Salim Dhiyebi	Tanzania Civil Engineering Contractors Association; Hon. Treasurer
12/06/2003	Hiroyuki Kinomoto	Japan International Cooperation Agency; Deputy Resident Representative
	Tomoki Koyabashi	Japan International Cooperation Agency; Assistant Resident Representative
13/06/2003	SACP Ms. E. Mosha	National Road Safety Council of Tanzania; Commander of Traffic Head Quarters RTS (Police)
	SSP R. Simsakalile	National Road Safety Council of Tanzania; Staff Officer of Traffic Division (Police)
	ASP E. Bakele	National Road Safety Council of Tanzania; Traffic Division (Police)
	ASP E. Muslim	National Road Safety Council of Tanzania; Traffic Division (Police)
	ASP J. Kabatano	National Road Safety Council of Tanzania; Traffic Division (Police)
	Eng. H.K.S. Bishanga	National Road Safety Council of Tanzania; Tanzania Technology Transfer Centre; Manager
	Henry M. Bantu	National Road Safety Council of Tanzania; Chairman Education, Training & Publicity; NIT
13/06/2003	Eng. Saad S.Y. Fungafunga	National Institute of Transport; Principal
	Dr. A.G.M. Rashidi	National Institute of Transport; Director of Studies
	M. Kaimulailwa	National Institute of Transport; Tutor
	Henry M. Bantu	National Institute of Transport; Planning and Development Manager
13/06/2003	Prof. Burton L.M. Mwamila	University of Dar es Salaam, Coordinating Office for Engineering and Technology; Chairman
	Kawamba	University of Dar es Salaam, Coordinating Office for Engineering and Technology; Head of Planning Unit (?)
16/06/2003	Eng. Florian Kabaka	TANROADS Regional Manager's Office, Iringa; Regional Engineer
	A.M Ngweta	TANROADS Regional Manager's Office, Iringa; Maintenance engineer
	P. Sebusebu	TANROADS Regional Manager's Office, Iringa; TA to RUSIRM
	Eng. L.S. Kapongo	TANROADS Regional Manager's Office, Iringa; Senior Maintenance Engineer

Date	Person	Institution and Position
	Eng. B. Michael	TANROADS Regional Manager's Office, Iringa; Bridges Supervisor
16/06/2003	Ms Cecilia Shirima	Regional Administration Secretary of the Iringa Region
17/06/2003	Eng. Ali O. Mkamba	Engineers Registration Board; Registrar
	Eng. T.M. Ngabo	Institution of Engineers in Tanzania; President
	Eng. J.H.Y. Katima	Institution of Engineers in Tanzania; Vice-President
	Eng. Mohamed R. Meghji	Institution of Engineers in Tanzania
	Dr. Y.A.S. Fundi	Institution of Engineers in Tanzania
	Prof. Manilla	Institution of Engineers in Tanzania
	Eng. Karim	Institution of Engineers in Tanzania
17/06/2003	Eng. Prosper F.H.B. Tesha	Tanzania Airports Authority; Director General
	Eng. S.S. Suleiman	Tanzania Airports Authority; Director Technical Services
17/06/2003	Daniel C. Moore	USAID; Team Leader/Environment Program
	Emmanuel E. Kasyanju	USAID; Rural Roads Engineer
17/06/2003	Mohammed Abdullah	Chairman of TABOA; Managing Director of Scandinavian Express Services Ltd
	S.A. Seif	Member of the Road Fund Board; TATO; Director of Superdoll Trailers Manufacture Co Ltd
	Ally H. Said	TATO; Managing Director of Hauliers Limited
	Z.H. Poppe	TATO / TAROTA; General Manager of Safari Cargo Limited
	Hilal Soud	TATO / TAROTA; Managing Director of Soud Diamonds Gold Projects
	A.G.S. Mwalwega	TATO / TABOA / TAROTA; Executive Director
	Mwenda	TATO / TABOA / TAROTA; ?
17/06/2003	Ms Margaret T. Munyagi	Tanzania Civil Aviation Authority; Director General
18/06/2003	Chacha S. Mwita	TANROADS; Director of Technical Services
18/06/2003	Ben A.M Gerritsen	TANROADS; Technical Assistant; DHV Team Leader
19/06/2003	Aloyce Mwamanga	Tanzania Chamber of Commerce, Industry and Agriculture; Vice-President Industry
19/06/2003	Egon Bisgaard	Royal Danish Embassy; Counsellor Development Infrastructure

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Annex 3 - Project fiches

1. Introduction

The mission to Tanzania concentrated on the following clusters of interventions:

- (1) Road sector institutional development.
- (2) Backlog maintenance and rehabilitation:
 - Mwanza-Border-Tinde and Isaka-Nzega roads,
 - The Central Corridor roads,
 - Wazo Hill – Bagamoyo road,
 - Rehabilitation of Mwanza roads.
- (3) Ruvuma and Southern Iringa Regions Road Maintenance (RUSIRM) Programme.
- (4) Central Corridor railways (TRC).
- (5) Aviation.

The main emphasis of EC interventions during 1995-2001 has been on the roads sub-sector, ref. clusters (1) – (3).

Particular focus of the country mission has been on institutional development, private sector involvement, donor coordination and cross-cutting issues. For more details about the interventions under each cluster, see the following intervention overviews.

2. Description of the clusters/interventions

(1) Road sector institutional development

<i>This cluster includes two main interventions, i.e.:</i>		<i>In Euro</i>
1.	7ACP TA 91, Road sector institutional study	732,000
2.	8ACP TA 20, Institutional and policy support to the Tanzania road sector	1,980,000
<i>A number of complementary studies have been initiated under 7ACP, such as:</i>		
3.	TA 30, Study on collection and disbursement of road user charges	32,950
4.	TA 118, Study on budgetary implications of integrated roads programme	22,560
5.	TA 126, Study on tracking of Road Fund	75,000
6.	TA 132, Road sector strategy paper for EDF 9 (9ACP)	18,000
7.	PACA/91225, Road inventory study:	59,550
Total for the cluster:		2,920,060

Financing Agreement is available for the 8ACP TA 20:

Title	Institutional and policy support to the Tanzania road sector	
Project Number	8ACP TA 20	
Date of Financing Agreement	22 February 2001	
Start date	2001	
Planned completion date	30 June 2004	
EC Budget (commitment) Euro	1,980,000	
Main budget lines Euro	Technical assistance to TANROADS:	1,300,000
	Technical assistance to the Road Fund Board (RFB):	600,000
	Studies incl. evaluation:	50,000
	Contingencies:	30,000
Overall objective	Cost-effective and sustainable maintenance and development of the Tanzania road network	
Project purpose	Improve management and financing of the road network	
Intervention activities	Capacity building and management support to TANROADS and RFB. Studies.	

All of the studies under 7ACP have been completed.

Capacity building, management and policy support to TANROADS and the Road Fund Board (RFB) under 8ACP TA 20 (Institutional and policy support to the Tanzania roads sector) is still ongoing. The technical assistance to the RFB has not started yet and it is expected to commence in 2003.

(2) Backlog maintenance and rehabilitation

This cluster involves the following intervention groups:		in Euro
<i>Wazo Hill- Bagamoyo road:</i>		
1.	7ACP TA 89, Wazo Hill – Bagamoyo road rehabilitation	1,995,000
2.	8ACP TA 82, Legal and contract specialist advice	80,000
Sum for the group:		2,075,000
<i>Central Corridor:</i>		
3.	7ACP TA 85, Central Corridor economic study	147,021
4.	8ACP TA 14, Backlog maintenance project study	150,000
5.	8ACP TA 22, Backlog maintenance programme for the Central Corridor (studies, design, supervision and works)	22,000,000
	8ACP ROR 19	20,000,000
6.	7ACP TA 87, Mwanza Border-Shinyanga-Tinde road (design etc.?)	300,000
7.	7ACP TA 110, Mwanza Border-Shinyanga-Tinde road (study?)	34,654

This cluster involves the following intervention groups:		in Euro
8.	8ACP TA 18 , Rehabilitation and upgrading of Mwanza Border - Tinde and Isaka-Nzega roads (works contracts)	65,000,000
	8ACP ROR 15	20,000,000
Sum for the group:		127,631,675
<i>Rehabilitation of Mwanza roads:</i>		
9.	7ACP TA 97 and 7ACP TA 117, Mwanza Region transport programme (study)	155,508
10.	7ACP TA 72, Mwanza-Nyanguge road (study?)	56,445
11.	7ACP TA 112, Bridges on Mwanza-Nyanguge-Musoma road	23,854
	8ACP TA 10, Rehabilitation of Mwanza roads (works contract etc.)	32,000,000
	8ACP ROR 03	3,000,000
Sum of the group:		35,235,807
<i>Complementary interventions:</i>		
13.	PACA/97090, Economic, socio-cultural and environmental appraisal study including Financing Proposal for the Mwanza Region transport programme	140,000
14.	PACA/96365, design of Nyanguge-Mwanza road, Mwanza city roads and sewerage updating Nyanguge-Musoma	70,000
Total for the cluster		165,152,482

Financing Agreements were available for the following four interventions that includes works contracts: Rehabilitation and upgrading of Mwanza Border-Tinde and Isaka-Nzega roads; backlog maintenance programme for national (trunk) roads in the Central Corridor; the Wazo Hill – Bagamoyo road; and Mwanza roads.

Title	Rehabilitation of road between Wazo Hill and Bagamoyo	
Project Number	7ACP TA 89 + rider No. 2	
Date of Financing Agreement	12 April 1996	
Start date	1996	
Planned completion date	2001 (2003?)	
EC Budget (commitment) Euro	1,995,000	
Main budget lines Euro	Feasibility, design and tender documentation:	385,000
	Tendering, evaluation and award of contract:	38,000
	Construction supervision:	1,572,000
	Construction costs, Government of Italy:	(15.5 million)
Overall objective	Reduce the difficulties and high costs of transport between Bagamoyo and Dar es Salaam, and thereby promote the development of trade and tourism in the area	
Project purpose	Rehabilitation and upgrading to paved standard of the road between Wazo Hill junction and Bagamoyo, totalling 45 km	

Title	Rehabilitation and upgrading of Mwanza Border-Tinde and Isaka-Nzega roads	
Project Number	8ACP TA 18, 8ACP ROR 15	
Start date	2003?	
Planned completion date	31 March 2006	
Date of Financing Agreement	22 December 2000	
EC Budget (commitment) Euro	85,000,000	
Main budget lines Euro	Works:	78,300,000
	Supervision:	3,900,000
	Studies:	300,000
	Contingency:	2,500,000
Overall objective	Improve the conditions for trade and economic growth and cohesion in East Africa and within Tanzania	
Project purpose	Reduce transport cost in north-western Tanzania by upgrading to bitumen standard the critical road links of the Central Corridor and the Lake Victoria Circuit	

Title	Backlog maintenance programme for the Central Corridor	
Project Number	8ACP 22, 8ACP ROR 19	
Date of financing agreement	16 March 2001	
Start date	2003?	
Planned completion date	30 June 2006	
EC Budget (commitment) Euro	42,000,000	
Main budget lines Euro	Works including weighbridge:	35,585,000
	Supervision:	1,970,000
	Evaluation/Audit:	100,000
	Contingency:	4,345,000
Overall objective	Maintain conducive conditions for trade and economic growth and cohesion in Tanzania and in neighbouring countries served by the Central Corridor, by preventing transport cost increases on the project roads by timely maintenance interventions.	
Project purpose	Maintenance works of some 272 km of paved roads from Morogoro to Dodoma and the Port Access Road (now named Nelson Mandela Road).	
Intervention activities	Road works. Installation of weighbridge. Supervision services.	

Title	Rehabilitation of Mwanza roads	
Project Number	8ACP TA 10, 8ACP ROR 03	
Date of Financing Agreement	06 March 2000	
Start date	01 November 2000	
Planned completion date	31 December 2003	
EC Budget (commitment) Euro	35,000,000	
Main budget lines Euro	Mwanza-Nyanguge road works:	13,500,000
	Mwanza town roads works:	12,500,000
	Kisesa/Usaga bypass works:	1,000,000
	Supervision town roads and Mwanza-Nyanguge:	1,650,000
	Supervision Kisesa-Usagara:	200,000
	Institutional support to Mwanza Municipality:	900,000
	Price escalation:	2,050,000
	Variations and contingencies:	3,200,000
Overall objective	Improve the conditions for economic activity and development in Mwanza.	
Project purpose	Rehabilitation of Mwanza town roads and of the trunk road from Mwanza to Nyanguge.	

Implementation of several of the above mentioned road works have been delayed.

At the time of the mission (June 2003), implementation of the Mwanza Border – Tinde road (8ACP TA 18) and the Central Corridor backlog maintenance programme (8ACP TA 22) had not yet started.

Wazo Hill - Bagamoyo road

The Financing Agreement for the Wazo Hill - Bagamoyo road (with the MoW as implementing agency/contracting authority) is complementary to road works financed by the Italian Government. The project is nearly finished but the contractor went under receivership (see below). The EC has been managing the Italian funds and financing the supervision (around Euro 2 million).

The works are nearly completed (around 95%) but not yet accepted. The works contract was awarded to Federici (Italian contractor), which had a good track record in Uganda. However, the company was slow at mobilising and did not make enough equipment available. The completion date was extended to November 2001. Then the company went into receivership.

Payments were resumed once the receivership was lifted on the contract in Tanzania (March 2003), but the Delegation is not sure that the payments made on this contract are actually used to complete the work. Federici has requested provisional acceptance, which was refused by the Contracting Authority .

Funds provided by the EC for the supervision were exhausted in June 2002 and the supervision contract (with COWI) was terminated April 2003. Normally in such a case the contractor has to pay penalties (liquidated damages), which should cover the costs incurred by the extension of the consultant contract, and to be considered in the final account at the end of the project. However, in this case the contractor being under receivership and the EC having no sufficient funds for paying a full-time consultant, the MoW appointed an engineer to supervise, but all the best engineers have left to join TANROADS. To make things still more complicated, a payment certificate including works rejected by the consultant was signed by the MoW and the NAO but rejected by the EC. There is a possibility/risk that the case will eventually go to arbitration to decide whether the design or contractor is responsible for the partial failure of a portion of the road .

Mwanza Border - Tinde and Isaka – Nzega roads

The Mwanza Border – Tinde road is in the tendering phase, divided into two lots, and just starting. A mission (by TANROADS and Delegation advisor) was sent to Zambia to check on a work-site whether the South African company with the cheapest bid would have the capacity to carry out both lots.

Central Corridor

The backlog maintenance programme for the Central Corridor (with TANROADS as the implementing agency) includes heavy rehabilitation of the Morogoro-Dodoma road, and the Nelson Mandela road in Dar es Salaam that is to be tendered later.

14 companies were short listed but only 3 bids were received. It is likely that the other short listed companies did not meet the requirements. Requirements were especially tough because of the experience learnt from the Bagamoyo road project.

Rehabilitation of Mwanza roads

The rehabilitation of Mwanza roads works contract is close to completion.

The works contract includes three components: the Mwanza airport road; the Mwanza - Nyangugue road to the Serengeti Park/Kenyan border; and urban roads that were added to the initial contract. The works contract is under the MoW as implementing agency.

Both the contractor (Astaldi) and the supervision consultant (Lotti) are Italian. The contractor was late at mobilising and did not make enough equipment available. He is currently (June 2003) negotiating a 7-8 months time extension, as the works should originally have been finished on 30 April 2003. There is budget left. According to the Delegation Advisor, the quality of the works is more or less satisfactory, but there are considerable delays.

(3) RUSIRM

<i>This cluster includes the following two interventions:</i>		<i>In Euro</i>
1.	7ACP TA 26, Study on road maintenance in Ruvuma and Southern Iringa Regions	159,546
2.	7ACP TA 95 and 7ACP TA 96, Ruvuma and Southern Iringa Road Maintenance (RUSIRM) programme (design, supervision, technical assistance, and works contracts)	21,800,000
Total for the cluster		21,959,546

Financing Agreement is available for the 7ACP TA 95+96:

Title	Ruvuma and Southern Iringa Road Maintenance (RUSIRM) programme	
Project Number	7ACP TA 95, 7ACP TA 96	
Date of Financing Agreement	17 February 1998	
Start date	01 October 1999	
Planned completion date	31 December 2005	
EC Budget (commitment) Euro	21,800,000	
Main budget lines Euro	Backlog works:	13,860,000
	Maintenance works:	1,200,000
	Supply of materials (woodstave culverts):	270,000
	Plant for hire:	1,000,000
	Local supervision:	1,600,000
	Technical assistance:	1,800,000
	Equipment for offices, transport, surveys, training:	400,000
	Mid-term and final review:	300,000
	Technical and financial audits:	370,000
	Contingencies:	1,000,000
Overall objective	Promote economic activity and improve living conditions, by reducing transport costs and improving general accessibility in the programme area.	
Project purpose	Restore the highest priority regional road network in Ruvuma and Southern Iringa to a good “maintainable” condition. Strengthen the capacity of the Regional Manager’s Offices (RMOs). Development of a local contracting industry. Axle load regulations enforced in the regions.	

The RUSIRM programme basically targets backlog maintenance of regional roads. It consists in adding to the road one or several layers of gravel. The programme started implementation on-site in July 2000. The backlog maintenance works are financed by EDF (7 ACP TA 95 and 7 ACP TA 96) for 90% and by the GoT for 10%. Overall, the EDF contribution is Euro 21.8 million and GoT brings Euro 12.37 million from the Road Fund. TANROADS is the implementing agency. Supervision is carried out by the consultant consortium DIWI and Typsa.

Work programmes and implementation of RUSIRM

The implementation of RUSIRM is in its second and final stage and is progressing well. One of the Regional Manager's Office (RMO) engineers asked the mission team whether some road sections, that were in the original programme but had to be excluded due to budget constraints, could be included in a RUSIRM extension e.g. under EDF 9. A clarification of follow-up under EDF 9 is needed, including possible replication in other regions.

A medium-term review of the RUSIRM programme took place at the end of the 2nd year of implementation (carried out by InterConsult and including a workshop in Iringa). The major problems identified were a late start of the project and a slow disbursement of funds, and the need for contractors to be trained in cash flow management.

The RUSIRM is planning to have works completed by April 2005, in order to give time for winding up before the Financing Agreement terminates December 2005.

A Project Management Unit (PMU) has been established in both Iringa and Songea. A monthly meeting is held to combine and coordinate the two PMUs. Each PMU prepares its own Annual Work Programme and Budget (AWPB). The present AWPB expires on 30 June 2003 (period July-June), and the proposal for the next AWPB was submitted June 2003. The last AWPB was approved three months late i.e. September 2002. Another problem is that the works contract periods are often overlapping two AWPBs, i.e. a works contract has to be rolled over to the next AWPB based on a budget estimate and this cannot be done "automatically".

The AWPB instrument used in RUSIRM ensures that the rehabilitation projects are being entirely carried out by local contractors. During Phase I, the programme also provided training to local small contractors on technology and management including on how to get informed on tenders, how to prepare a bid, how to assess the costs and set up a price. The projects were split in small packages. This made it possible to involve a larger number of contractors and to have the work completed more rapidly.

A problem during the first year of the programme was that the AWPB could not be endorsed in time. Annual auditing could also cause a problem/delays, as each year the auditors have to be appointed/re-appointed. The RMO representatives pointed out that there is a need to find ways of minimising the time it takes to endorse things.

The EC monitors the progress of the project. There is a Steering Committee in which are represented the EC Delegation, MoW (Permanent Secretary, Directors of Trunk Roads and Rural Roads) TANROADS headquarter, Regional Administration Secretaries in Iringa and Ruvuma, the team leader of technical assistance, and the NAO. The Steering Committee meets twice a year but can be called at any moment if a problem arises. For example a meeting took place beginning of June 2003 to programme the implementation of the project until its end in April 2005 (end-date of the Financing Agreement is December 2005). It was extended by a rider in September 2000 following the creation of TANROADS. Implementation programmes are prepared by the RMO of TANROADS.

During the first two years of RUSIRM there were three expatriate technical assistants. Now the team leader remains (in Songea), and two local technical assistants i.e. one in Songea and one in Iringa. The technical assistants are employed via a service contract with DIWI i.e. separated from the AWP budget.

In the earlier phase of the project there has been serious problem of lack of capacity of local contractors, and some contracts have had to be prematurely terminated and the contractors replaced. These problems provoked delays in the implementation of the programme.

Routine maintenance is carried out through contracts with individual villages or groups of villages. Specifications in the contracts support the employment of women for the clearing of bushes, trenches and ditches, and encourage labour-based technology. Routine maintenance is normally estimated as a standard unit cost per km plus additional costs if e.g. occurrence of land slides. Routine maintenance interventions take place two times a year at 45,000 Tsh/km each time and is restricted to manually based work.

Tendering

Local contractors are understood as all-over Tanzania contractors. It is assessed that more than 15 contractors will be prepared to work in the Iringa Region. As the roads are located in an area with tea plantations, the contractors often have to offer higher salaries than the tea companies are paying.

The RMO never goes into a direct agreement except for emergency works. All works are openly tendered.

Within RUSIRM there has been no rejection of tenders, but some occurred outside the programme. Previously the request was to have the bidders within +5% and -20 % of the cost estimate. Currently there is not triggered any rejection if the bids fall outside this interval (this could potentially cause problems if an accepted bid is too low). Advance payment to contractor is 15% if a guarantee bid bond is provided.

A workshop was held for Iringa and neighbouring regions on training in the bidding process and EC procedures. The RMO intends to engage the National Construction Council to arrange seminar/workshop about management of contracts and funding, as this is an area where contractors are weak.

Design issues

The RMO does the design of the regional roads rehabilitation and maintenance. Local consultants are contracted to do the design review and supervision.

RUSIRM is not targeting bridges. When the Road Fund allows it, the RMO of TANROADS intends to widen the bridges.

Wooden culverts are being used frequently. They are cheaper in purchase and transport and easier to haul as compared with concrete and “Armco” culverts.

Equipment and laboratory

Another problem in relation to local contractors is the lack of equipment. A TANROADS Equipment Hire Unit (EHU) is located in Mbeya to cover also Rukwa and Iringa regions. However, contractors also hire equipment outside the regions, even as far away as in Tanga or from larger contractors in Dar es Salaam.

This problem is addressed in RUSIRM through the equipment pool belonging to TANROADS and located in Mbeya . It leases equipment to local contractors. The equipment pool of Songea is now supported by the EC, and additional equipment has been delivered in 2003. There is a memorandum of understanding between the EC and TANROADS indicating how the equipment provided by the EC can be used for the RUSIRM, and TANROADS has to report to EC on the utilisation of equipment.

Except for some small equipment being used for patching on the Tanzam Highway, the RMO does not have its own equipment.

The RMO in Iringa has a small laboratory equipped to test soil and gravel material related to quality control (sieve analysis, surface moisture and density gauge etc.) of small contractors. Part of this equipment has been procured under RUSIRM. The TANROADS Central Laboratory in Dar es Salaam has some equipment to test bitumen and asphalt. Measurements by FWD (Falling Weight Deflectometer) have been done by a consultant when preparing the design for the Tanzam Highway rehabilitation (where the JICA project ends).

(4) Central Corridor railways

<i>This cluster only involves two interventions, i.e.:</i>		<i>In Euro</i>
1.	7ACP TA 09, study?	208,504
2.	7ACP TA 10, Central Corridor Railways Restructuring Project (study, design, tendering, supervision and works)	19,700,000
	7ACP RPR 27	14,500,000
Total for the cluster		34,408,504

Beneficiary was the Tanzania Railways Corporation (TRC). The intervention has been completed.

The Financing Agreement was not available. The following table is based on the Financing Proposal from April 1992 and the Annual Report 1996.

Title	Central Corridor – Tanzania Railways Corporation (TRC) Railways Restructuring Project	
Project Number	7ACP TA 10, 7ACP RPR 27	
Date of Financing Agreement	?	
Start date	1995	
Planned completion date	1998?	
EC Budget (commitment) Euro	33,000,000	
Main budget lines Euro	Flood prevention works:	3,200,000
	Tumbi Quarry:	5,200,000
	Supply of equipment:	19,200,000
	Railtracker:	260,000
	Technical assistance:	1,650,000
	Contingencies:	3,490,000
Overall objective	Restore the capacity of the TRC line.	
Project purpose	Restructure and strengthen TRC's management and capacity in key operational areas.	
Intervention activities	Supply of track maintenance and accident relief equipment. Technical assistance on traffic management. Delivery of rolling stock. Flood control protection works. Construction of Isaka terminal. Ballast production at Tumbi quarry.	

The following information is based on a meeting with Tanzania Railways Corporation (TRC), the coordinator of the Railways Restructuring Project.

The Railways Restructuring Project is a 10 years project that started in 1992 with the objective to restore the capacity of the line to its original level. It had been preceded by a previous project in 1989-1992, which was an emergency repair project aimed at cutting off the decline of traffic.

The overall restructuring project amounts to USD 200 million financed by the World Bank, the EC, Canadian CIDA, AfDB, and USAID.

The EC intervention provided:

- Production of ballast from a quarry.
- Purchase of tank wagons intended to transport fuel to Uganda (and thus reduce road traffic).
- Establishment of a rail tracking system that allows shippers to locate their cargo from any place from the TRC website. This system has been established in 1993 with the assistance of UNCTAD. The EC provided training to the staff.

- Equipment for ballast maintenance.
- One technical assistant and office equipment (computers).

According to the TRC official, the rehabilitation works have been successful, e.g. the frequent floods and river erosion on the Kilosa-Dodoma section have been arrested by embankment improvements along the river and lifting of the longitudinal alignment at some places. Passenger comfort at the Tabora sections has been improved by embankment rehabilitation.

(5) Aviation

This intervention cluster includes two technical assistants and a European Investment Bank (EIB) intervention:

		<i>In Euro</i>
1.	7ACP TA 134, Air navigation – region East Africa (study?)	292,000
2.	8ACP TA 06, Air traffic services project (procurement and works)	12,800,000
3.	EIB (No. 19972106), Tanzania aviation safety and security (procurement and works)	26,510,000 (Euro 12,800,000 disbursed)
Total for the cluster (approximately):		40,000,000

The Financing Agreement on 8ACP TA 06 was not available.

On the EIB intervention, no information has been retrieved as yet.

The following information is based on interviews with officials from the two beneficiary institutions i.e. the Tanzania Airports Authority (TAA) and the Tanzania Civil Aviation Authority (TCAA).

TAA officials informed the mission team that in 1998/99 the EC also financed the rehabilitation of the Mwanza airport runway at approximately Euro 7 million, from the programme to assist regions affected by a large inflow of refugees. Under this programme, the EC financed a resurfacing of the runway as Mwanza airport had an extremely low capacity.

The initial package of donor support (EC, EIB, World Bank) involved the Dar es Salaam and Kilimanjaro international airports. This first project with the aim to improve safety related investments at the two airports is now completed. It consisted of works on air navigation services facilities at the two airports.

In order to benefit of a grant of the Government of the Netherlands, 60% of the equipment required to improve the air navigation facilities at the airports should have been provided by Dutch companies. Since there was no Dutch company able to supply this equipment, the grant could not be used for this purpose, and the TCAA had to ask for an

EIB loan covering 100% of the expenses. EIB provided the loan, which was shared between TCAA, TAA and the Kilimanjaro Airport. The involvement of three different institutions made things a bit complicated, but the loan was processed smoothly.

TAA was partly involved in both air transport projects, but more specifically in the Euro 12.8 million loan financed by the EIB, which also partly benefits to the TCAA. Negotiation of the EIB loan started before TCAA was created as an autonomous agency. TCAA is responsible for paying its share of the interests of the loan and will start next year the reimbursements on the principal.

A new project was signed in February 2003. It aims at rehabilitating the power supply equipment on runway lightening and distribution system at the Dar es Salaam International Airport. The TAA part is financed for 50% by the EIB loan and for the remaining 50% by a grant of the Dutch government. The TCAA part is 100% EIB funded.

In case of an EIB financing, the EC Delegation is not involved in the negotiations, but only informed. The TAA officials expressed that it would be better if the Delegation was involved because it could contribute to establish a closer link between the TAA and the EIB/EC, ref. the good experience with the Mwanza airport project.

Annex 8 - Main findings of the questionnaire survey

Objective of the survey

The questionnaire survey has been led in order to complement the information obtained during the five country visits. The findings reported in this note are strictly factual.

Scope of the survey

Questionnaires have been sent to 15 EC Delegations for the attention of the transport adviser. Surveyed countries were:

- 10 ACP countries: Benin, Cameroon, Central African Republic, Congo (Brazzaville), Jamaica, Lesotho, Mali, Mozambique, Niger and Senegal;
- 2 TACIS countries: Georgia and Ukraine;
- 1 MEDA country: Morocco;
- 1 LA country: Bolivia;
- 1 Asian country: India.

All 15 Delegations returned a filled questionnaire.

Content of the questionnaire

The questionnaire consists of two parts:

- Part 1 deals with transport-related issues at the national level;
- Part 2 focuses on specific EC interventions in the transport sector of the given country. Altogether 29 projects have been covered.

It is interesting to read these two parts in parallel so as to be aware of the discrepancy that sometimes take place between policies and their implementation at project level.

One will find copy of the questionnaire at the end of this annex.

Context in the regions considered

During the period 1995-2001, transport was a focal sector in the ten ACP countries surveyed and in Ukraine. It was not a focal sector in Morocco, in India and in Georgia. As for Bolivia, support of the EC to transport is very recent.

According to the CSPs and PCAs, one of the main objectives of the governments and the Commission is the regional integration in the ACP, TACIS, MEDA and LA countries surveyed. In India, it is rather business cooperation that is aimed at.

For more information on the importance of the transport sector and the objectives of the governments and the Commission, please see annex 10.

In some of the countries surveyed, specific contexts have affected the progress of some of the projects considered.

Political instability has had impacts on the transport sector in several ACP countries and in Georgia.

In the *Central African Republic*, successive crises from 1996 to 2003 (mutinies, attempts and coups d'Etat) have notably led to the anticipated ending of a rural tracks' manual maintenance project (the project was supposed to start in 1994, but it suffered a four year delay and was eventually closed in 2001).

In *Congo Brazzaville*, three violent civil wars (in 1993/1994, 1997 and 1998/1999) have resulted in the destruction of infrastructure (notably the destruction of 80% of the navigable waterways, ports and river transport capacities), in the stopping of railways transport between Pointe Noire and Brazzaville from 1998 onwards and in the enclosing of several areas.

The sixteen years of civil war in *Mozambique* until 1992 and the coups d'Etat in *Niger* in 1996 and 1999 have also led to an important deterioration of the infrastructure in these countries.

In *Georgia*, the conflicts between Tbilisi and the autonomous republic of Adjara make it almost impossible to achieve projects implying cooperation between this region and the Georgian central authority. Corruption is also widely spread. These two problems have jeopardized the progress of the project considered hereafter, which aimed at establishing a rail-ferry terminal in Batumi. Indeed, two groups are firmly opposed: on one side, the Georgian railways allied with the Georgian government and on the other side, the Batumi port under the aegis of the Adjara republic, which compromises the achievement of the rail-ferry terminal. Besides, the EC seems to have little influence on the Georgian government. But this country is strategic because of its situation at the crossroads of the transport and energy corridors between Europe and Central Asia.

In MEDA countries, transport infrastructure is usually financed from EIB loans. Thus, the EIB granted loans amounting to Euro 445 million to Morocco from 1996 to 2000, among which a big amount was dedicated to infrastructure. The EC project in the transport sector is therefore quite exceptional.

1. Main findings on the national transport sector policies

A. *Formulation and development of the transport policy*

National transport sector policy

In all countries except Morocco, a document defining a national transport policy exists (in half cases) or is under preparation (in the other half cases). This document is used most of the time as a basis to identify EC transport interventions.

Other official documents are also used for this purpose everywhere except in Georgia.

In the ACP countries, these documents are mainly the Transport Sector Programmes, National Policy documents (draft or not), Poverty Reduction Strategy Papers as well as obviously the NIPs and RIPs.

In Ukraine, the Delegation refers to the World Bank's 1988 Ukraine Transport Sector Review (report n° 18636), the "Commission's Transport Acquis & White Paper on European Policy for 2010: time to decide" and the "Tina transport planning methodology".

In Bolivia, the "Understanding Memorandum between the EU and the Republic of Bolivia" and in India official documents of the EU are used to identify EC transport interventions.

At the national level, in most ACP countries and in Ukraine, there is a body bringing together stakeholders of the transport sector. In most cases, the stakeholders involved in these bodies are only government services (in particular the Ministry of Transport & Public Works) and donors. In a few cases though, private representatives are also involved. In Lesotho, the Taxi Owners Association is involved. In Senegal, a more sophisticated forum exists: the Road Board, which includes representatives of the employers, transporters, drivers and consumers and the Ministries of Finance, Equipment, Prime Minister Office, local authorities and the Republic's Presidency.

In Ukraine, meetings gather various government bodies, the UNECE (United Nations Economic Commission for Europe), international donors and industry representatives. They plan to set up workshops gathering representatives of the Ukrainian Ministry of Transport, the EU Delegation and the International Financial Institutions. On the contrary, in three ACP countries, Georgia, Morocco, Bolivia and India, there is no process or forum bringing together the stakeholders of the transport sector.

Concerning Transport Development Programmes, about half countries have a national development programme for all transport modes and the other half have a mode-specific development programme (especially roads in ACP countries, railways in TACIS countries).

What are the regional links having an impact on transport policies?

At the regional level, almost all countries participate in a regional agreement. In about all countries, these organisations play a role in the harmonisation of transport policies in the region.

These regional organisations that notably deal with transport issues are:

- *in ACP countries* : CEMAC (Economic and Monetary Community of Central Africa), CEEAC (Economic Community of Central African States), SATCC (Southern Africa Transport and Communications Commission), UEMOA (West African Economic and Monetary Union) and CEDEAO (Economic Community of Western African States);
- *in TACIS countries* : TRACECA, BSEC (Black Sea Economic Cooperation, in which there are groups working on transport), Black Sea PETrA;
- *in Asia*, there are Air Service Agreements between countries in the South Asian Region.

To what extent is the policy framework adequate to meet the objective of EC cooperation to promote sustainable transport and meet the needs of users and beneficiaries?

In ACP countries, in general, the policy framework is relevant but the problem rather lies in its implementation. In some countries, EC transport officers say that policies “are left in a drawer”.

In Cameroon, the Sector Strategy and the Transport Sector Program need to be brought up to date but this update seems jeopardized by the lack of political will. In the Central African Republic, the EC transport officer considers that transport policy priorities are clear, but that the maintenance policy is not enough developed.

In these countries, users needs are considered in a few cases. The aim is then to reduce the poverty of users by increasing their access to markets, social services, etc. (see below comments on the links between transport policy and poverty reduction).

In TACIS countries, the EC transport officers surveyed think that the focus is put on transit, but that a comprehensive policy view in transport is lacking, which makes the project selection and the set up of priorities rather difficult. In Ukraine, the transport officer thinks that the railway policy is not adapted. Indeed, according to him, “the railway policy does not take sufficiently account of the most likely negative repercussions on railway travel from fast growing road traffic”. Besides, “it promotes high-speed connections on selected few lines instead of bringing a wider network to an acceptable standard”. At last, “it neglects the improvement of international East West services”. In Ukraine also, the inland waterway mode remains largely unused. Concerning the answer to users’ needs, the Ukraine’s transport officer thinks that not enough attention is devoted to safety for both motorised and non-motorised network users.

In most ACP countries and in the two TACIS countries involved, important data are missing, especially traffic flow data, modal split data, road quality indexes, road master plan, road transport haulage data and data on the progress of maintenance projects. On the contrary, in Lesotho, Niger, Bolivia and India, the data are said to be available and reliable.

What are the links between the transport sector and other sectors objectives?

In most ACP countries, the link between the transport policy and poverty reduction is clearly identified.

In Mali, the EC transport officer underlined that improvements in the transport sector could enable landlocked areas to have a better access to social services and facilitate trading activities, and that development of the transport sector development contributes to poverty reduction. In Niger also, improved access to social services and lower prices of consumption goods (thanks to reduced transport costs) are seen as a means to reduce poverty. Other links identified are employment creation in Lesotho; mining industry, tourism and rural mobility in Senegal.

In Morocco and Bolivia, the transport objectives are associated with economic development ones.

In TACIS countries, the links between the transport sector objectives and other sectors objectives are not identified, apart from trade.

In India, transport achievements are linked to tourism goals.

What are the main transport stakeholders and to what extent are they coordinated?

The main donors in the transport sector are the European Commission, the World Bank, the IDB, the ADB (Asian Development Bank), the BOAD (West African Development Bank) and the AFD (French Development Association).

In ACP countries, others donors also play a role, such as Germany, Denmark, France, Irish Aid, IDA, BADEA (Arab Bank for Economic Development in Africa), Kuwait Fund, JICA (Japan International Cooperation Agency), SIDA, USAid, NORAD (Norwegian Agency for development cooperation), CEDEAO funds, KDEA (Korean Development Economics Association).

In TACIS countries, the ERBD also contributes to finance transport interventions.

In Bolivia, in addition to the main donors, Germany (KfW), FONPLATA, PROEX and the Italian Cooperation, the CAF (Charities Aid Foundation) also play a role.

In India, main donors are the EU, the World Bank, the ADB and JICA.

In most ACP countries, in Ukraine and in Bolivia, governments organise coordination meetings with donors on the transport sector at varying frequencies, even if only occasionally most of the time.

In all countries except Jamaica, the Central African Republic, Senegal, Georgia and India, the Delegation organises or participates in coordination meetings with other donors. These meetings are equally chaired either by the Delegation, either by another donor or alternatively between different donors.

In most ACP countries and in Ukraine, the Delegation has regular contacts with non-government stakeholders of the transport sector, which is not the case in the other countries surveyed. The non-government stakeholders with whom some ACP and Ukraine Delegations have regular contacts are most often representatives of contractors, consultants and transporters. In Ukraine, agriculture sector representatives are also represented.

In about half ACP countries, the coordination process is considered adequate (especially in Senegal). In the other cases, the reported limits of this process are explained by various factors such as, for instance, an excessive importance attached to political matters (Congo), or the refusal of the Head of Delegation to participate in meetings others than those organised by the government.

In Ukraine, the coordination process was rather weak until now but is being improved since the approval of the NIP 2004-2006. Since then, there have been more frequent contacts between the EBRD, the Ministry of Transport and the Delegation and a working group is being set up.

During the preparation of the national or mode-specific transport programmes, transport users and beneficiaries were consulted at some stage of the preparation in most cases, but not in TACIS countries. Stakeholders that are usually consulted are the EC transport officers, private transporters and economic operators. In Congo Brazzaville, Lesotho and Mali, local populations were also consulted in order to identify their needs. Most often, these stakeholders are consulted through workshops organised by the Ministry of Transport.

B. The Commission's response strategy and its links with the National Transport Policy

What are the governments' main objectives?

In all *ACP countries*, the main objectives are:

- To provide a proper maintenance of transport infrastructure:
Road Funds have been or are being created in most ACP countries. However, the resources allocated to maintenance are considered insufficient in half cases (because of insufficient government resources, insufficient road tolls, etc.). In Jamaica, the funds are only targeted to the most urgent needs.
In Niger, a CAFER (Caisse Autonome de Financement de l'Entretien Routier) was set up in 2000.
In Bolivia, a Vial Preservation Fund has been set up but its resources are sometimes reduced during the year because of budgetary restrictions.

- To contract out the construction and maintenance of transport infrastructures to private enterprises.
In most ACP countries, road maintenance works have been privatised, especially routine maintenance.
- In almost all ACP countries, commercialisation (by privatisation or concession) of transport services is also a major objective of the governments. Railways have been transferred to concessionaires in Congo, Mali, Mozambique and Senegal. Mali's airports, Mozambique's ports and the Central African Republic's inland waterways have been or are being privatised. In Niger, the liberalisation of passengers' transport has favoured the development of transport private firms. In Mozambique, a toll road has been established between Mozambique and RSA.
In Morocco, privatization has taken place in the air, land and sea sectors.
- Meeting the mobility needs of the poor also appears as a priority of the governments in most cases, mainly through development programmes of rural areas. The actions undertaken to achieve this goal are mainly the rehabilitation of rural tracks and the integration of rural areas, and in Lesotho the provision of work in rural areas.
- For a minority of ACP countries, the **removal of obstacles to the development of foreign trade** is alluded to, notably in Mali and Senegal where the facilitation of trade through the regional integration policy is mentioned. In Congo, investments are made to increase the links with Gabon.

For all other countries, one of the priorities is the removal of obstacles to the development of foreign trade. In Bolivia and Ukraine, much emphasis is put on the improvement of trade corridors with neighbouring countries. In particular, in Ukraine, a "unified policy on transit fees and tariffs" aims at achieving transparent tariff structures and removing non-physical barriers to trade within the TRACECA region.

In all countries, other priorities of the governments are:

- The reduction of transport impact on the environment:
In Benin, an environmental protection service has been created within the Ministry of Works and Transport. Environmental guidelines have been included in the Lesotho Design Standards. In Senegal, there is an "Environmental and Social Management Plan". In Bolivia, environmental measures are enforced strictly according to the transport officer. In Ukraine, a "Dangerous Goods Transport training Project" has been set up.
- The improvement of transport safety:
In Benin, a national agency for road safety has been created. In Lesotho, the EC has provided technical assistance to the Road Safety Department. In Mali, awareness programmes on road safety have been set up. In Niger, the road signs have been improved and a better collection of data on accidents etc. has been organised. In Ukraine, there is a "development road safety programme for immediate and long term improvements".

- The proper prioritization of investments:
In ACP countries, it usually consists in defining which roads are part of the main network. In Ukraine, there is coordination at the TRACECA level of project planning and programming.

Which reforms did the governments undertake and to what extent did the European Commission support these reforms?

The governments of all the countries surveyed have undertaken significant institutional reforms in the past 5 years and these reforms have been supported by the EC in almost all countries.

In most ACP countries, a Road Fund has been created or is under way (ex.: Congo). In Benin, Lesotho Mozambique and Senegal, a Road Board has also been created. Autonomous agencies exist in Jamaica (National Works Agency), Senegal (Agence Autonome des Transports Routiers). A Road Authority already exists in Mali and another one is likely to result from the institutional reforms in Lesotho according to the Lesotho's transport officer. An Ageroute (Agence d'exécution d'entretien routier) is also being set up in Mali.

Privatisations and concessions have also been led in many countries:

- railways concessions in Cameroon, Congo, Mali, Mozambique and Senegal;
- privatisation of the Socatraf (Inland Waterways Central African Company) in the Central African Republic;
- restructuring of the civil aviation sector in Senegal;
- creation of a privatisation committee in Congo;
- privatisation of the firm hiring public transport equipment and of the national passengers transport firm in Niger, liberalisation of passengers' transport in Niger;
- promotion of private infrastructure finance in Ukraine;
- current privatisation of the air and maritime sectors in Morocco;
- using private suppliers for supplying parts for their aircraft/equipment for Hindustan Aeronautics Limited, a Public Sector Undertaking in India.

Other institutional reforms have also been undertaken by the governments, such as a toll set up and a weighing station in Benin, reform of the Ministry of Transport in Mali.

The European Commission has mainly supported institutional reforms by providing technical assistance to most countries. In ACP countries, the EC usually supported the governments to create Road Funds and to assist the Ministries of Public Works and Transport in their institutional reform process.

In India, the EC has been helpful by bringing together companies, for instance through the Aero Technology Summit held in Bangalore in November 2002 under the EU-India Civil Aviation Project.

In most countries, there has been a shift towards contracting out maintenance work to private enterprises in the past 5 years, which has been supported by the EC in most ACP countries, in Bolivia and in India. Through its technical assistance, the EC has generally encouraged the use of local contractors for road maintenance. In Congo, the public organism in charge of road maintenance has been dissolved but its equipment has not been bought back yet. In Mali, privatizing road maintenance and increasing the government's budget for it are prerequisites for the cooperation between the EU and Mali.

In half cases, the public administrations' procurement procedures are considered competitive and strictly implemented. In six ACP countries, they are seen as competitive but not strictly implemented. Five ACP countries and India have received assistance from the EC on the issues of procurement and contract management, through the provision of technical assistance to these countries (training, supervising of consultants, ...). In particular, in Mali, guidelines on procurement procedures are planned in the framework of the road maintenance works implementation agency.

The European Commission has already taken measures when the governments have failed to meet their sector commitments in Jamaica, Mozambique, Congo and Central African Republic. In these last two countries in particular, the EC financed projects only under the condition that a Road Fund be set up before.

As a whole, the EC contribution in the transport sector is seen as crucial for the ACP countries, especially in the road sector. Indeed, the transport officers consider the EC contribution to be decisive in the fields of:

- Institutional strengthening: the EC has supported the preparation of National Transport Sector or Road Policies in most cases. In Senegal, the EC has contributed to improve the dialogue on the transport policy;
- Road rehabilitation: the EC has brought a substantial financial help to carry out rehabilitation and maintenance works. According to the transport officer in Senegal, the EC has also facilitated regional trade thanks to the improvement of the main network.

Cross-cutting and horizontal issues

Environment

In ACP countries, India and Bolivia, an environmental protection policy with implications for the transport sector generally exists but is not fully implemented in most ACP countries. In TACIS countries, such a policy doesn't exist according to the EC transport officers surveyed.

Transport officers from all countries except Congo, the Central African Republic and Georgia think that an Environmental Impact Assessment is compulsory prior to the construction or rehabilitation of transport infrastructure.

In most ACP countries, transport emissions and other environmental impacts, such as impact on soil and water, are not monitored by national authorities. On the contrary, it is monitored in Ukraine, Bolivia and India.

Safety

For half countries, efforts have been made to improve road safety. In ACP countries, various measures have been taken in different countries, such as the setting up of road signs, speed limits, axle load limits, awareness campaign on road safety, consultation with the transporters' trade unions, alcohol testing, technical control, etc. In Ukraine, draft legislation was elaborated on road safety and transportation of dangerous goods.

Health

In most ACP countries, the risk of a spread of HIV/AIDS and other communicable diseases associated with increased mobility has been taken into account. There are usually "Aids Prevention" clauses in the contract specifications, which imply awareness campaigns on the risks of AIDS (through posters and provision of free condoms in Mozambique) towards the transport users, drivers and roadside people. On the contrary, this risk hasn't been taken into account in the other regions.

NB: This is the theory, which has to be compared to practice. Indeed, when the same questions are asked concerning the projects, the answers are far from being as positive... (See below part II)

Gender

The gender aspect is taken into account in the transport policy in half ACP countries and in Bolivia.

In Lesotho, Mozambique and Bolivia, the EC transport officers consider that the gender aspect is taken into account since employment is provided for both men and women (as drivers, sweepers, flag ladies, landscapers) on projects sites. In Congo and Mali, they think that women are particularly concerned by the facilitation of trade enabled by transport works since they are generally the ones who sell agricultural production or small goods in the towns or along the roads.

But once again, these results have to be read in parallel to the ones concerning the projects (where one can see that gender has almost not been taken into account in practice, see below part II).

There are no gender-disaggregated data collection systems, except in Senegal in the framework of studies.

As a whole, it is thought that crosscutting issues are not given enough attention. In Congo and Senegal, the transport officers assess that the policy is good but should be put in practice. In Cameroon, the person surveyed estimates that big efforts have been made in

the environment sector but still a lot has to be made concerning road safety, gender and AIDS. In Ukraine, “It seems that we are still far away from an holistic planning and programming approach in transport which would meet long term sustainability criteria.”, according to the EC transport officer.

Delegation capacity in the transport sector

There are usually one or two persons dealing with transport issues in the Delegations (except 1/4th in Georgia and 3 in Niger). In half cases, the Delegation staff dealing with transport-related issues has been enlarged as a result of deconcentration. In five cases out of six, the experts who joined the Delegations were European experts and not local ones.

In the ACP countries, some of the EC transport officers who filled the questionnaire think there is not enough staff to deal with transport-related issues. In Benin, Congo and Lesotho, the organization chart is correct but there is still a vacancy in each of these countries for a transport official.

Transport officers stress the new responsibilities they have. For example, in Cameroon, the EC officer underlines that they now have to deal with big NIP / RIP projects, new regional responsibilities (leader Delegation for Central Africa), national responsibilities concerning sector policy dialogue and new responsibilities resulting from the deconcentration.

2. Main findings on the projects-related part of the questionnaire

Identification

In more than half cases, projects are financed by the EC alone and the EC contributes to more than 60% of the financing in most other cases. The only case in which the EC finances less than 50% of the total project's budget is in Bolivia, where the EC only finances 15% of the road project, and where there are numerous donors.

All projects are financed by grants except the project in Bolivia of which 16% is financed by grants and 74% by loan.

What are the priorities of the transport programmes to which the projects respond?

In ACP countries, these priorities are:

- Concerning road infrastructures:
 - To improve road transport infrastructures (construction, rehabilitation and maintenance);
 - To increase access to isolated areas and thus foster economic development there and alleviate poverty;
 - To ensure the circulation of goods and people quickly, safely and at a lesser cost;
 - To promote the achievement of road maintenance by private enterprises;
- Concerning technical assistance:
 - To elaborate National or sector-based Transport Programmes;
 - To strengthen institutional capacities, the Roads Authority, the Ministry of Transport notably;
 - To privatise road maintenance.

In TACIS, MED and LA countries, the projects enable the facilitation of transit and regional integration (Pan European Transport Corridors in Ukraine, transoceanic corridors in Bolivia, reduction of interregional and urban/rural development disparities in Morocco).

In India, the projects respond to the aim of increasing global competitiveness.

In most ACP countries and in TACIS, MED & Asia countries, the stakeholders concerned have been consulted at the identification stage. In four cases, stakeholders from the private sector such as transport operators and economic entities were consulted. In only two projects (in CAR and Morocco), the population concerned was consulted. In particular, in the Central African Republic, activities were organised by the AFVP (Association Française des Volontaires du Progrès) towards the village communities, rural lobbies, and local craftsmen. In the axle load control project in Lesotho, the transport operators, the Police, the Statistical Office, the traffic and transport officials, the Customs, the Immigration and the Sales Tax personnel were consulted at the identification stage of the project.

What are the specific objectives and the main results expected from the projects?

In ACP countries, the specific objectives are:

- Concerning road infrastructures:
 - Rehabilitate roads (most of the time),
 - Increase the economic activity in the areas serviced by the projects roads,
 - Reduce transport costs,
 - Lessen pollution and improve vehicular and pedestrian safety (quoted twice),
 - Develop SMEs of the public buildings and works sector (quoted once).
- Concerning technical assistance:
 - Improve the institutional management of the Ministry of Transport;
 - Define and manage priority investments;
 - Prepare NIPs, financing proposals and various documents (tender, liquidation, ...);
 - Create a sustainable structure to ensure maintenance (setting up of a Road Fund in Congo);
 - Privatised or put under concession some services (ex: railway network in Mozambique).

In TACIS, MEDA and LA countries, the major objective of the projects is to facilitate regional economic integration.

- In Georgia, the aim is to receive European gauge trains.
- In Ukraine, the aim is to facilitate trade and movement of people between the EU and the NIS (newly independent States).
- In Morocco, the objective is to link the northern coastal area with the rest of the country and thus to favour national and regional integration.
- In Bolivia, the aim is to facilitate the economic integration between Brazil and Bolivia.

Other objectives in Ukraine are to “reduce vehicle operating costs and road maintenance costs through the completion of a Highway Maintenance System”; “to reduce accident rates through improvement of road safety standards”; and to stimulate the development of the private sector and competition.

In India, objective of the maritime project is to improve port management (achievement of international productivity and service standards, improvement of human resources management, advice on privatisation of some port services). For the aviation project, the objectives are to improve aviation safety and to develop a co-operation with the EU on technologies in the aerospace industry.

What are the results expected from the projects?

In ACP countries:

- Concerning road infrastructures:

The main results expected are equivalent to the specific objectives (road rehabilitation and maintenance works, sustainable improvement of traffic and road safety, fostering of economic diversification, reduced transport costs).

Secondary results expected from the projects are:

- A good level of services,
- The use of local SMEs for maintenance,
- Job creation in rehabilitation works,
- Shorter transport and travel time.
- Concerning technical assistance:
Expected results are:
 - a better implementation of sector-based policies and strategies;
 - a higher output of national and sector-based programmes (identifying the impacts of investments on each type of traffic and on sub-regional competition);
 - improved technical and financial supervision;
 - closer coordination and follow-up of projects;
 - achievement of a better regional integration;
 - organisation of a round table with the government and donors;
 - completion of the privatisation process for road maintenance;
 - creation of a structure to improve the performance of road maintenance;
 - strengthening of the local SMEs network to achieve maintenance works.

In the TACIS countries surveyed, expected results are:

- pre-feasibility studies and feasibility reports for the project;
- production of a Transport Improvement Programme for Corridors II and IX;
- “an operational Highway Management System with fully integrated pavement and bridge management sub-systems”;
- topic papers on transport demand, management and safety;
- training for transport specialists from beneficiary countries and for local private contractors.

In Morocco, expected results are:

- the achievement of a good quality road,
- an increase of the traffic on the bypass,
- the creation of new economic activities and employment.

In Bolivia, expected results are:

- improved access between Santa Cruz and Puerto Suarez and to Mercosur countries,
- strengthening of the National Road Service,
- improvement of the sector-based transport policy.

In India, the expected results are:

- the establishment of a port community with active participation of customs,
- raised awareness on air worthiness and safety standards,
- assistance in the development of airports management.

In a large majority of cases, monitoring indicators of the main project results have been defined, but among the projects for which indicators have been defined, only half of them have been actually surveyed.

In slightly more than half cases, the projects aim to contribute to goals beyond or outside the transport sector.

In ACP countries and in Bolivia, the main goal to which the transport projects contribute is poverty alleviation. This poverty reduction is presented as such or as a result of the country's development. Other goals mentioned are:

- facilitation of transport of agricultural products (especially in poor areas) and the price reduction of these products;
- integration of some landlocked areas and better access to basic social infrastructures;
- creation of jobs and strengthening of SMEs.

In TACIS countries, trade facilitation is identified as the main goal to which the transports projects contribute. The reduction of transport costs and accidents is also mentioned.

In Morocco, what is aimed at is a sustainable and balanced economic and social development.

In one third of the cases, monitoring indicators of these goals beyond or outside the transport sector have been defined, but they were actually surveyed in only 3 projects (out of 29).

In most infrastructure projects, the governments have taken measures to ensure a proper maintenance of the infrastructure. In the two Jamaican projects though, the maintenance is not duly planned and is sometimes just responding to emergency needs.

The main support of the Delegations in this respect is technical assistance for the set up and monitoring of Road Funds. Even if not in the framework of a Road Fund, the Delegations often encourage the development of a proper road maintenance policy and sometimes monitor what funds will be made available for maintenance purposes. In Niger, a CAFER (Caisse Autonome de Financement de l'Entretien Routier) has been set up. Support has also been provided to Mali to set up an implementation agency for road maintenance.

Formulation

For almost all projects, the EC transport advisers consider that problems have been well identified, that the results expected are clearly stated and that these expected results explicitly address the problems identified.

In a third of ACP projects and in almost all TACIS, MEDA, LA & Asia projects, the assumptions and risks surrounding the projects have been clearly stated.

In a majority of projects, specific tools were used in formulating the project.

Concerning the sector-based guidelines on transport and other reference manuals, they have been used in about a third of the projects. In this case, they were generally used at the stages of programming, feasibility studies, financial proposals and formulation. In the Central African Republic and in India, these documents have been intensively used. But for many projects, the EC transport officers did not answer the question or said that they didn't have the information to answer it.

Implementation

In many ACP countries, the projects were not completed within the planned time schedule. In most cases, there was about a one-year delay and in three cases the projects were stopped. In Morocco, the project is not finished yet but an eight months delay is already anticipated.

These discrepancies are mainly due to:

- *administrative deficiencies*: inadequate contract documents, delays in designing and adopting the invitations to tender, difficulties to find an agreement on the Terms of Reference, administrative slowness, delays in the elaboration and validation of the invitations to tender, lack of follow-up of the administration;
- *a lack of strictness in designing the projects*: weak feasibility studies, need to carry out preliminary environmental studies not planned, need to bring up to date some projects;
- *difficulties during the implementation of the projects*: change in scope of works (in order to reduce the quantity of land acquisition by the Government of Jamaica for example), disputes with the contractors;
- *legal problems*: non application of the most-favoured-nation clause in Benin, non respect of his contractual commitments by a long-term expert (leading to the end of a project in Niger), contract of the provider of services not stamped by the Delegation for a project in the Central African Republic (because many procedures were not respected, notably services being provided before the contract's signature);
- *political circumstance*: political instability and internal insecurity in the Central African Republic (mutinies and coup d'Etat attempt in 1996-1997 and 2001, leading to the withdrawal of the "Association Française des Volontaires du Progrès") and in Lesotho (serious political upheaval in 1998 which led to the re-tendering of the works);
- *extension of the technical assistance's duration* of one or two years in two projects.

In about half ACP projects, the projects were not completed within the initial cost estimate. In Morocco, an increase of 42M€ is foreseen. The main reasons for these discrepancies are:

- *inadequate design preparation*: poor initial studies, change of the situation between the moment when studies were carried out and when they were implemented (varying road traffic,...), non adapted assessment of the scope of the works;
- *claims from the contractors*, concerning land acquisitions, the issuing of work permits;
- *extension of the technical assistance's* execution time limit.

In some projects, the identified risks materialised (but this question was answered in only about half cases). These risks were:

- In ACP countries:
 - out-dated studies,
 - political unrest or war,
 - incapacity of SMEs to respect delays,
 - incapability of the Ministry in charge to agree compensation measures in time and to provide enough funds for the Road Fund,
 - weak capacities of the client and project manager
- In TACIS countries:
 - the lesser interest of IFIs, notably the WB, to invest in public infrastructure at the end of the project, due to general change in the investment climate
 - lack of the Ukraine's government to commit itself in the field of road safety.

Most of the time, the question asking what action has been taken when the risks materialised was not answered. Answers to the question mention the following actions:

- update of the projects concerned;
- strengthening of the technical aspects for future contracts;
- resolution to sign contracts only once acquisitions and compensations are completed;
- resolution to choose the definitive sections at the start of the project only so as to take into account the changed context since the decision stage;
- suggestion to reform the Road Fund.

Monitoring and evaluation

First of all, it has to be noted that many EC transport officers did not answer this part of the questionnaire.

For most ACP projects and for almost all TACIS, MEDA, LA and Asia projects, monitoring indicators for the project results have been defined and actually monitored. Indicators have been monitored *monthly* in Lesotho and Jamaica, *every three to four months* in Ukraine and *once a year* in Cameroon, Mali and India.

Very little information is given on the follow-up of the latest monitoring reports and when information is given, it usually shows that not much has been done. In Cameroon though, indicators were exploited in the framework of the follow-up of the sector-based policy and in Lesotho, legislation was enacted to further discourage overloading.

Concerning the evaluation of the projects, out of 29 projects, 3 projects were evaluated at mid-term (in Senegal, Cameroon and India), 2 at the end of the project (in Ukraine) and 5 ex-post (in Jamaica, Congo, Mali, Cameroon and India).

As for the follow up of the evaluations, there is only one project in which a concrete follow-up is described. Indeed, for the road infrastructure and institutional strengthening project in Jamaica, some measures have been taken to follow-up the recommendations of the evaluation. Thus, “the need to establish a road sector policy and the need for maintenance planning are a subject of daily discussion with the Government of Jamaica and will be the objective of the EC support” but the design quality, notably the quality of topographical surveys, still have to be improved. In Ukraine, it is said that “evaluation findings were taken into account for the future projects preparations”. But on the whole, there seems to be very little follow-up of the evaluations. Some questionnaires even state that “sometimes recommendations given by the Court of Auditors or given by evaluators are not considered”.

Cross-cutting and horizontal issues

Environment

For half ACP projects and all TACIS, MED and LA projects, an environmental assessment was made at the appraisal stage and there are baseline and monitoring data for the environmental impact of the projects.

In a majority of ACP, TACIS, MEDA and LA projects, and in one of the two Indian projects, specific measures have been taken to limit the negative impact on the environment.

The measures undertaken in various countries consist of:

- landscaping borrow pits and quarries after use with arable land so that the vegetation can recover (mentioned in Lesotho and Mali);
- “replacing partially the land removed from agricultural production through the rehabilitation of redundant road configurations with drainage and topsoil importation. Drainage was designed to control ongoing erosion of arable land”(Lesotho);
- carrying out environmental studies (in particular bankable feasibility studies taking into account environmental requirement of banks in Ukraine);
- integrating the environmental measures in the works contracts documents;
- avoiding deforestation and laying out borrow pits areas;
- recycling road surfaces;
- stabilising dunes;
- equipping water drillings with manual pumps;

- adopting “green” techniques and technologies;
- rising the awareness of SMEs, NGOs and local population on maintaining plant species near the road works and not to obstruct ditches.

However, most of these measures are instructions and it is hard to know to what extent they have been implemented. According to the Jamaican transport officer for example, “certain aspects like quarry management, excavation of rivers to procure aggregate and location of dumping areas have not been addressed”.

For two thirds of the projects, specific measures have also been taken to limit the project’s negative impact on local populations. Concerning road infrastructures, the measures taken have been to:

- control dust by watering;
- lay filters on the “stations” (centrales);
- reconstitute the physical environment (quarries and borrow pits landscaped and fenced off when necessary in Lesotho);
- limit the speed of the roadwork’s cars;
- control the pouring of oil and fuel in the soil so as to limit pollution;
- apply the norms of the evaluation study on the environmental impact (in Bolivia).

Safety

For half ACP projects and for all TACIS, MEDA, LA and Asian projects, the safety aspects have been taken into account at the appraisal stage. For a minority of ACP projects and for all the projects of other countries, there are baseline and monitoring data for accidents.

In most cases, specific measures have been taken to reduce accidents involving users and the local population. Measures mentioned in the questionnaires are the following:

- most often : comprehensive road signing and speed limits;
- speed bumps, walk sides added along the roads, curves widened;
- specific road marking at the construction site;
- adequate maintenance of the deviations;
- installation of crash barriers;
- growing awareness and training on safety on the works site;
- in Ukraine: review road safety organisation and standards.

When specific measures were taken to reduce accidents, most of the time these measures notably aimed at increasing the safety of pedestrians and other users of non-motorised transport.

Health

An assessment of the potential health risks induced by the project has only been led for two road infrastructure projects (in Mozambique and Bolivia). There are no baseline and monitoring data for the project's impact on health for any of the projects.

Specific measures have been taken for AIDS prevention only in four ACP countries, mostly through awareness campaigns, prevention and follow-up. In Mozambique, "the contractors workforces were advised on risks of AIDS. Posters were put at all camps and free condoms were distributed or made available".

NB: The discrepancy between theory and reality is obvious. Indeed, when talking about policies, most transport officers answer that they have taken into account the risk of a spread of AIDS and other communicable diseases. What they say when asked about projects suggests a different practice.

Gender

Gender aspects were not taken into account when formulating the project in most ACP countries, nor in Ukraine and India. However, these aspects were considered in Morocco and in Bolivia according to the EC transport officers.

In only three cases, EC transport advisers consider that the "relevant stakeholders" were formally consulted at the identification stage of the project. But the organisations referred to are the Ministry of Public Works and Transport and the donors. As for the results of these consultations, they are in one case "the redesign of sections of the alignment" and in another case the measure of the positive impact of the project on rural populations, and in particular on women (in Mali). In only two cases, the "relevant stakeholders" have been consulted at the formulation stage of the project. In Lesotho, the stakeholders consulted were the Ministry of Public Works and Transport and the local population in the project area. In Mali, they were the donors and beneficiaries. In Congo, the EC transport officer considers that the tracks' rehabilitation project has a positive impact for women to the extent where 30% of the rehabilitation works should be carried out by women.

Once again, these practical results significantly differ from what is said at the policy level.

Questionnaire

PART 1 - COUNTRY QUESTIONNAIRE -

As mentioned above, this first part of the questionnaire deals with transport issues at country level. It is sub-divided into 4 sections: formulation and development of transport policy, the Commission's response strategy and its links to the national transport policy, cross-cutting issues, and Delegation capacity.

At the end of each section or sub-section, you will find an open question. Feel free to use it to provide information you consider relevant for the evaluation but that you were not able to deal with as part of the previous questions.

1. Formulation and development of transport policy

This section questions the existence of national transport policy and programme documents in the country, inquiring how far various transport stakeholders have been involved in their preparation, and to what extent this policy framework provides the EC with a sound basis for identifying its interventions. It also investigates the Delegation's relations with the government, with other donors and with non-governmental stakeholders in the transport sector.

This section relates to evaluation questions 1 (partnership) and 2 (policy commitment of the government).

a) National transport sector policy

1. Is there a document defining a national transport policy?
 - Yes ☐
 - No ☐
 - Such a document is under preparation ☐
2. If yes, is this document used as a basis for identifying EC transport interventions?
 - Yes ☐
 - To a certain extent ☐
 - No ☐
3. Are any other official documents used as a basis for identifying EC transport interventions?
 - Yes ☐
 - No ☐

4. If yes, which ones?
5. Is there a process/forum that brings together the stakeholders of the transport sector?
 - Yes ☐
 - No ☐
6. If yes, which stakeholders are involved (please include all governmental and non-governmental stakeholders)?
7. Does the country participate in any regional transport agreements?
 - Yes ☐
 - No ☐
8. If yes, which countries are involved?
9. Is there a mechanism or an organisation responsible for the harmonisation of transport policies and standards in the region?
 - Yes ☐
 - No ☐
10. If yes, which ones?
11. Please feel free to comment on the adequacy of the policy framework for meeting the objective of EC cooperation to promote sustainable transport.

b) National transport sector/or specific modal transport development programme

12. Is there a document defining a national transport development programme or documents defining mode-specific transport development programmes?
 - There is a development programme for all transport modes. ☐
 - There are mode-specific development programmes. ☐
 - For which modes?
 - There is neither a national transport programme nor mode-specific programmes. ☐
13. If there is a national transport programme or mode-specific transport programmes, were transport users and beneficiaries consulted at some stage of the preparations?
 - Yes ☐
 - No ☐

14. If yes, which users/beneficiaries and through which process?

15. If there is a national transport programme or mode-specific transport programmes, have the links between the transport sector and other sectors or policy objectives been identified?

- Yes ☐
- No ☐

16. If yes, which links (in particular links with poverty reduction)?

17. To what extent is the lack of data or the insufficient reliability of existing data an obstacle to the sound programming of transport investments?

- Necessary data are available and reliable. ☐
- Necessary data are available but not very reliable. ☐
- Important data are missing. ☐

18. In the case of important data that are either missing or have not proven very reliable, please specify which type of data.

19. Please feel free to comment on the adequacy of the transport sector or modal transport development programme in meeting the needs of users and beneficiaries.

c) Dialogue and coordination with government/donors/non-governmental stakeholders

20. Who are the main donors in the transport sector?

21. Does the government organise coordination meetings regarding the transport sector with donors?

- Yes ☐
- No ☐

22. How often do these coordination meetings take place?

- Occasionally ☐
- Once a year ☐
- Every 6 months ☐
- Quarterly ☐
- More frequently ☐

23. Does the Delegation organise or participate in coordination meetings with other donors concerning the transport sector?

- There are no formal coordination meetings. ☐
- The Delegation chairs the coordination meetings. ☐
- The Delegation participates in coordination meetings chaired by another donor. ☐
- Different donors alternate in chairing the coordination meetings. ☐

24. How often do these coordination meetings take place?

- Occasionally ☐
- Once a year ☐
- Every 6 months ☐
- Quarterly ☐
- More frequently ☐

25. Does the Delegation have regular contacts with non-governmental stakeholders of the transport sector (NGOs, representatives of contractors, representatives of consultants, representatives of transport users, beneficiaries of EC-funded projects, etc.)?

- Yes ☐
- No ☐

26. If yes, with which non-governmental stakeholders?

27. Please feel free to comment on your experience with the coordination process and to make proposals for improving this process.

2. The Commission's response strategy and its links to the National Transport Policy

This section deals with the main objectives of the governmental transport policy/programme and questions whether and in which manner EC interventions have contributed to meeting these objectives.

It relates to evaluation questions 3 to 6 (EC contributions to the achievement of sustainable economic benefits, poverty alleviation, economic and political integration and sector-specific goals).

28. The following table lists a series of possible objectives for a transport programme. Please single out (by ticking the appropriate boxes) those objectives to which the government gives priority and indicate which actions/measures have been undertaken accordingly over the past five years.

	Tick the box if a priority objective	Actions/measures implemented to meet the objectives (priority objectives only)
Proper maintenance of transport infrastructure	<input type="checkbox"/>	<input type="text"/>
Optimal use of existing infrastructure	<input type="checkbox"/>	<input type="text"/>
Proper prioritisation of investments	<input type="checkbox"/>	<input type="text"/>
Removal of obstacles to the development of foreign trade	<input type="checkbox"/>	<input type="text"/>
Fair competition between transport modes	<input type="checkbox"/>	<input type="text"/>
Commercialisation (by privatisation or concession) of transport services	<input type="checkbox"/>	<input type="text"/>
Contracting out of the construction and maintenance of transport infrastructure to private enterprises	<input type="checkbox"/>	<input type="text"/>
Public sector focus on policy and regulatory functions	<input type="checkbox"/>	<input type="text"/>
Reduction of transport impact on the environment	<input type="checkbox"/>	<input type="text"/>
Improvement of transport safety	<input type="checkbox"/>	<input type="text"/>
Meeting the mobility needs of the poor	<input type="checkbox"/>	<input type="text"/>

29. Is attention given to ensuring that allocated resources (finance and domestic contracting capacity) match infrastructure maintenance needs?

- Yes ☐
- No ☐

Please feel free to comment.

30. Has the Commission ever taken measures (with or without financial implications) when the government has failed to meet its sectoral commitments, for example, in terms of maintenance and management of infrastructure?

- Yes ☐
- No ☐

31. If yes, which measures and under which circumstances?

32. In the past 5 years, has the government undertaken any significant institutional reforms aiming at a more effective and efficient transport system (e.g. restructuring of the administrations involved, creation of autonomous agencies, establishment of a Road Fund, establishment of a Road Board, privatisation or concession of transport services, etc.)

- Yes ☐
- No ☐

33. If yes, which measures?

34. Did the Commission support any of these institutional reforms?

- Yes ☐
- No ☐

35. If yes, which ones and in which manner?

36. Assuming that the maintenance of transport infrastructures was usually carried out on force account, has there been a switch over the past five years towards contracting out maintenance work to private enterprises?

- Maintenance work is still mainly carried out on force account. ☐
- Maintenance was already contracted out 5 years ago. ☐
- There has been a switch towards contracting out maintenance. ☐

37. If there was a move towards contracting out maintenance work, did the Commission support this change?

- Yes ☐
- No ☐

38. If yes, in which manner?

39. Are the public administrations' procurement procedures competitive and strictly implemented?

- Procurement procedures are competitive and strictly implemented. ☐

- Procurement procedures are competitive, but not strictly implemented. ☐
 - There are no competitive procurement procedures. ☐
40. Has the Commission provided assistance on the issues of procurement and contract management?
- Yes ☐
 - No ☐
41. If yes, which assistance was provided?
42. Please feel free to comment on the EC's contribution towards the fulfilment of national transport policy objectives.

3. Cross-cutting and horizontal issues (environmental impact, health and safety, gender and minority issues)

*As suggested by its title, this section questions the policy and practices of the government as regards the issues of environment, safety, health and gender in relation with transport.
It relates to evaluation questions 7 and 8 (environment, health, safety and gender).*

43. Is there an environmental protection policy with implications for the transport sector and if yes, is it actually implemented?
- There is a policy and it is actually implemented. ☐
 - There is a policy; but it is not fully implemented. ☐
 - There is no environmental policy that affects transport. ☐
44. In particular, is an Environment Impact Assessment compulsory prior to the construction or rehabilitation of transport infrastructure?
- Yes ☐
 - No ☐
45. Are transport emissions and other environmental impacts, such as impact on soil and water, monitored by national authorities?
- Yes ☐
 - No ☐
46. Has the safety regulatory framework been improved and has enforcement been encouraged?
- Yes ☐
 - No ☐
47. If yes, in which way?

48. Has the transport policy taken account of the risk of a spread of HIV/AIDS and other communicable diseases associated with increased mobility?

- Yes ☐
- No ☐

49. If yes, in which way?

50. Are any gender issues incorporated into the transport policy?

- Yes ☐
- No ☐

51. If yes, which ones?

52. If yes, are there any indicators and/or a gender-disaggregated data collection system in place in the country?

53. Please feel free to comment on the policy and practices of the government with respect to cross-cutting issues in the transport sector.

4. Delegation capacity in the transport sector

This section takes stock of the resources available within the Delegation for the follow-up of transport issues and of EC-funded interventions in this sector.

54. Within the Delegation, how many staff members of different statuses and qualifications deal primarily with transport-related issues?

55. Has the Delegation staff dealing with transport-related issues been enlarged as a result of the “deconcentration”?

- Yes ☐
- No ☐

56. If yes, how many new staff members have joined the Delegation?

- European experts ☐
- Local experts ☐

57. Do you think that the Delegation is currently adequately staffed (size of staff and qualifications) to deal with transport-related issues?

PART 2 - PROJECT QUESTIONNAIRE -

This component of the questionnaire refers to the project

- [...].

It raises questions relative to the various stages of the project cycle - identification, formulation, implementation, monitoring and evaluation - with a view to collecting information to answer evaluation questions 9 and 10. In addition, in the case of infrastructure projects, questions are raised regarding cross-cutting issues.

1. Identification

1. Who finances the project?
 - EC alone ☐
 - EC and government (please specify percentage of each source) ☐
 - EC and other donor(s) (please specify percentage of each source) ☐
 - EC, government and other donor(s) (please specify percentage of each source) ☐
2. How is the project financed (including all sources of financing)?
 - Grant ☐
 - Loan ☐
 - Grant and loan (please specify percentage) ☐
3. Does the project respond to one or several priorities of the national transport or mode-specific programme?
 - Yes ☐
 - No ☐
4. If yes, which one(s)?
5. Were stakeholders, including non-governmental stakeholders, formally consulted at the identification stage of the project?
 - Yes ☐
 - No ☐

6. If yes, which stakeholders?

7. What is the specific objective of the project?

8. What three main results are expected from the implementation of the project?

Result 1:

Result 2:

Result 3:

9. Monitoring indicators of the three main project results

	Result 1	Result 2	Result 3
Have monitoring indicators been defined for the achievement of the project results?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
If indicators have been defined, are they actually surveyed?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>

10. Does the project explicitly aim to contribute to goals beyond or outside the transport sector?

- Yes ☐
- No ☐

11. If yes, to which goals?

12. Have monitoring indicators for such an impact been defined?

- Yes ☐
- No ☐

13. If indicators have been defined, are they actually surveyed?

- Yes ☐
- No ☐

14. (In case of an infrastructure project) Have measures been taken by the Government to ensure proper maintenance of this infrastructure?

- Yes ☐
- No ☐

15. If yes, what measures and how is the Delegation involved in monitoring their implementation?

2. Formulation

16. Have the problems addressed by the project been clearly and explicitly identified?

- Yes ☐
- Not clearly enough ☐
- Not at all ☐

17. Are the results expected from the project clearly stated?

- Yes ☐
- Not clearly enough ☐
- Not at all ☐

18. Do the results expected from the project explicitly address the problems that have been identified?

- Yes ☐
- Not explicitly enough ☐
- Not at all ☐

19. Are the assumptions and risks surrounding the project clearly stated?

- Yes ☐
- Not clearly enough ☐
- Not at all ☐

20. Were specific tools (e.g. economic and financial analysis, cost-benefit analysis) used in formulating the project?

- Yes ☐
- No ☐

21. To what extent were the sectoral guidelines on transport or other reference manuals utilised for formulating the project?

3. Implementation

22. Was the project completed (or to what extent has it been implemented to date) within the planned time schedule?

- Yes ☐
- No ☐

23. If not, what is the magnitude of the discrepancy and what are the reasons for this discrepancy?

24. Was the project completed (or to what extent has it been implemented to date) within the limits of the initial cost estimate?

- Yes ☐
- No ☐

25. If not, what is the magnitude of the discrepancy and what are the reasons for this discrepancy?

26. Did any of the identified risks materialise?

- Yes ☐
- No ☐

27. If yes, which ones?

28. If yes, what action has been taken?

4. Monitoring and evaluation

29. Have monitoring indicators for the project results been defined?

- Yes ☐
- No ☐

30. If indicators were defined, are they actually being monitored?

- Yes ☐
- No ☐

31. If yes, how often?

32. If yes, what was the follow-up for the latest monitoring report?

33. Has the project been evaluated and when?

- Mid-term ☐
- End of project ☐
- Ex-post (after project completion) ☐

34. If yes, what has been the follow-up on the evaluation?

5. Cross-cutting and horizontal issues (infrastructure projects)

Environment

35. Was an environmental assessment made at the appraisal stage?

- Yes ☐
- No ☐

36. Are there baseline and monitoring data for the environmental impact of the project?

- Yes ☐
- No ☐

37. Have specific measures been taken to limit the negative impact on the environment?

- Yes ☐
- No ☐

38. If yes, which measures?

39. Have specific measures been taken to limit the project's negative impact (such as traffic noise, dust control from quarries and detours, emissions) on local populations?

- Yes ☐
- No ☐

40. If yes, which measures?

Safety

41. Were safety aspects, including the regulatory framework, taken into account at the appraisal stage?

- Yes ☐
- No ☐

42. Are there baseline and monitoring data for accidents?

- Yes ☐
- No ☐

43. Have specific measures been taken to reduce accidents involving users and the local population?

- Yes ☐
- No ☐

44. If yes, which measures?

45. If yes, are pedestrians and other NMT (non motorised transport means) users targeted by the measures? (Only for road projects).

- Yes ☐
- No ☐

Health

46. Was an assessment of the potential health risks of the project made at the appraisal stage?

- Yes ☐
- No ☐

47. Are there baseline and monitoring data for the project's impact on health?

- Yes ☐
- No ☐

48. Have specific measures been taken for HIV/AIDS prevention?

- Yes ☐
- No ☐

49. If yes, which measures?

Gender

50. Were gender aspects taken into account when formulating the project?

- Yes ☐
- No ☐

51. Were relevant stakeholders formally consulted at the identification stage of the project?

- Yes ☐
- No ☐

52. If yes, which organisations and how was the consultation carried out?

53. If yes, what has been the outcome of this consultation?

54. Were relevant stakeholders formally consulted at the formulation stage of the project?

- Yes ☐
- No ☐

55. If yes, which organisations and how was the consultation carried out?

56. If yes, what was the outcome of this consultation?

Annex 9 - Conclusions of previous sector evaluations

The following evaluation reports were chosen to illustrate the state of affairs of the interventions of the European Commission in the transport sector in various regions in the preceding or simultaneous period of the current evaluation:

1. Evaluation of EDF transport sector projects and programmes; final report, TecnEcon, 1995.
2. Evaluation of the Tacis Interstate TRACECA Programme; final report, TecnEcon, 1998.
3. Evaluation of TACIS/TRACECA programme; Transport Corridor Europe Caucasus Central Asia; second draft report, Jacobs Consultancy, 2003.
4. Evaluation of PHARE financed transport programmes; final report, Trademco, 1999.

In order to enable an easier comparison of these evaluations with the current one, the main findings, conclusions and recommendations were reorganised according to the ten evaluative questions of the current evaluation.

1. Evaluation of EDF transport sector projects and programmes (1995)

This evaluation was carried out in 1993/1994 by TecnEcon to assess the EDF operations in the ACP countries in the road, rail, maritime and aviation sectors (whereas the 1969 and 1982 evaluations only covered the road sector). Field investigations were led in 13 ACP countries on 40 transport projects and programmes. The findings, conclusions and recommendations mainly referred to sub Saharan Africa where most investments were made.

Question 1: To what extent were policy and programme development at sectoral level conducted in partnership with third countries since the publication of the last major evaluation and with what effect?

- *Were European Commission's interventions designed in a manner relevant to needs and problems identified in partner countries?*

According to this evaluation, the European Commission's interventions were broadly relevant to the needs of the partner countries in the choice of the modes since the "roads often correspond to the political priorities of the recipient governments" and are highly appreciated by the users. However, it was recommended that more attention be paid to urban transport, and in particular to the link between the urban and the national and international networks.

But the European Commission's interventions did not seem to be consistent enough with the national and regional plans. It was therefore recommended to integrate transport investments in the national sectoral planning. Furthermore, the National and Regional Indicative Programmes themselves needed to be better linked.

- *Were links established between transport and other key sectors?*

The main conclusion was that not enough consideration had been given to the overall objective of the development aid. Besides, there were no data proving that investments in transport resulted in socio economic or institutional change.

Nevertheless, transport was seen as a mean to get access to international trade, to link urban areas and to link the hinterland and main market areas. The sectors that benefited most of the improvements in transport were agriculture, industry, trade and tourism.

It was recommended that the contributions of transport to the development of other sectors be more specifically specified in the NIPs and RIPs and reviewed more frequently.

- *Did changes take place in the style and content of dialogue-shaped programme definition and implementation?*

There are some good practices to follow: the Sub Saharan Africa Transport Policy Programme, the Road Maintenance Initiative and the Donor Code of Conduct. Indeed, these initiatives have created a good collaborative framework to harmonise and coordinate aid and to facilitate policy reforms. In 1995, the institutions set up in Africa had not performed well until then, but there was then much better cooperation between donors and a clearer understanding of the long timescale required to effect change.

The report recommended increasing the training of the governments, improving the dialogue between beneficiary countries and major donors for sectoral policies and programmes, and contributing more to the policy debate, especially through the SSATP.

- *Did the Commission seek to address the needs of stakeholders outside government?*

The report took notice that “people are continually voicing their transport needs” and that they consider the transport services and infrastructure inadequate. But it did not analyse if actions had been undertaken by the Commission and its Delegations to address the needs of stakeholders outside government.

- *Did the decision-making lean on reliable data?*

At the time, there was no reliable data on which to lean and no system to gather and store the data concerning the projects. “The lack of information on the past performance of EDF projects means that some lessons from past experience are not brought into the thinking of current operations.” Therefore, it was recommended that the archiving be ensured and that modern databases be created.

Question 2: To what extent has policy commitment from partner countries been secured so as to ensure the sustainability of transport strategies?

- *Was commitment from partner countries to transport sector reform secured?*

The evaluators reported that the government's precise role and powers in the transport sector were not clear enough. The governments were also said to encounter difficulties to fulfil the conditions included in the financing agreements, to manage parastatal transport enterprises, to plan and make transport policy. They had also been unable to manage maintenance and to introduce efficiency into the various organisations.

The railways represent a specific case. The privatisation of railways was highly recommended and the commercialisation of rail operations appeared to be necessary to develop viable services, with greater freedom for the managers to set fares and reduce overstaffing. If there were strategic reasons to operate non-commercially viable parts of the network, there should be subsidies for it. Besides, it was underlined that railways had to be complementary to the roads.

- *Were governments committed on the public expenditure side and in terms of capacity building?*

Previous evaluations of 1969 and 1982 already stressed the failure of governments to maintain their transport facilities. This evaluation confirmed this statement. It also added that the transport sector was all the more likely to suffer from inadequate funding when transport was a state-dominated activity. Thus, the donor community advocated that "public administration should concentrate on the formulation of the regulatory environment rather than the delivery of services" and that private firms or independent bodies implement construction works where possible.

Financing and maintaining roads was particularly problematic at the local level. The SSATP's Rural Travel and Transport Programme promoted a decentralised approach to the problem of local transport with small scale and locally resourced operations. But in practice, it was only in Ghana and Kenya that intermediaries were established to ensure the financing and maintenance of rural roads.

The report recommended to incorporate maintenance policies in projects and programmes and to draw inspiration from the SSATP's initiative. Indeed, the SSATP's Road Maintenance Initiative was designed to tackle institutional failings and irregular flow of funds.

- *Did the European Commission contribute to a more effective utilisation of national resources allocated to transport?*

The European Commission contributed to raising the governments' awareness on maintenance's needs thanks to its studies. Thus, a study showed that regular routine and periodic maintenance gave better value than major rehabilitation following little maintenance ("regular preventive maintenance could save Sub Saharan governments up to ECU 1 billion per annum in rehabilitation costs, equal to 0.85% of the region's GDP").

The Commission also encouraged the establishment of Road Funds, with revenue from fuel taxes, which represent a potentially sustainable source of finance for road maintenance.

It was recommended that the Commission goes on supporting the countries to set up a sustainable maintenance policy.

Question 3: How far have Commission strategies, programmes and projects contributed to the achievement of sustainable economic benefits?

- *Did the Commission's interventions have direct and indirect employment effects?*

The report recommended to increase the role of local consultants and SMEs and to provide SMEs with training, start-up finance and possibly joint-venture facilities. It encouraged the use of labour intensive methods, the break down of contracts in smaller blocks when possible and the establishment of credit mechanisms for the private sector.

- *Did the Commission's interventions contribute to sustainable wealth creation?*

It was noted that transport investment reduced the costs of transport and increased the frequency of transport services, thus enabling economic opportunities to be exploited. However, no assessment was made in this report as to how the Commission had contributed to the creation of sustainable wealth in the partner countries.

Question 4: How far have Commission strategies, programmes and projects contributed to poverty reduction by improving access to essential services?

This question was globally not tackled in this evaluation. The only hint related to poverty reduction was that roads were more appropriate for the poor. The report noted that "roads are far more accessible to a large number of businesses and people than other modes of transport".

Question 5: How far have Commission strategies, programmes and projects contributed to economic, and political integration across political and population boundaries?

Restrictive regulations were a hindrance to the ACP integration since they "contributed to high costs and were a barrier to the emergence of regional cooperation initiatives."

On the contrary, the SSATP's database on transport in the region contributed to the integration in the region.

The report recommended to set up working groups for the major African regions and to adopt a multidisciplinary approach among the Commission's departments to ensure

consistency in the whole area. The cooperation between different sectors for a same country or region should be enhanced.

Question 6: How far have Commission strategies, programmes and projects contributed to specific sector goals?

- *Did the Commission's interventions in the transport sector contribute to economic sustainability of transport?*

Concerning roads, effective maintenance and axle load limits are key elements in order to avoid a too quick deterioration and expensive rehabilitation of the roads. The 1991 EC-ACP Road Policy Paper already called for "an approach based on road maintenance and control of axle loads". Indeed, overloading accelerates the deterioration of roads. Rigorous controls or effective sanctions against overloading were rarely carried out until 1995 and should be enforced.

As for railways, the Commission encouraged their privatisation but this did not resolve all the problems. Indeed, a greater access requires more stations, which is generally inconsistent with low cost rail operations.

- *Did the Commission's interventions contribute to financial sustainability of transport?*

Road transport prices in Sub Saharan Africa were amongst the highest in the world in 1995. The governments often restricted competition, which enabled the operators running a quasi monopoly to charge excessive rates. The high level of fares for transport services implied that parastatal bodies providing the services suffered from both high costs and low levels of income. There was not at that time, and there should be, a planning of the infrastructure projects' impacts on medium to long-term maintenance work and funding.

- *Did the Commission's interventions contribute to institutional sustainability of transport?*

According to this report, the main problem in the transport sector consisted of institutional weaknesses. The policies of the governments were said to be inappropriate because of their reliance on public monopolies, administrative determination of prices and tariffs, indirect subsidies of services, regulatory protection of domestic operators and preference for national rather than regional approaches. Besides, insufficient funds would have been allocated to the financing of structural reforms.

As a conclusion, slow but solid progress had been made in policy reform in Sub Saharan African countries until 1995. But continued external assistance to the recipient governments was still recommended. Furthermore, there was a need for better information on market demand, cost and quality of services, and productivity of assets so that the governments can assume the role of enabling agents rather than direct provider of services.

There were some examples of good practices: the SSATP (that aims at establishing a more viable transport policy framework, notably through the Road Management Initiative); the

Integrated Roads Project in Tanzania; the PAST (Programme d'Ajustement Sectoriel des Transports) in Senegal.

Concerning the rural and railways sub-sectors, specific aid was needed. As far as rural transport is concerned, it was noticed that, without the support of the government, most projects failed. As for railways, it was considered that they could not receive state subsidies forever and had to run commercial services. But managers did not have sufficient decision-making power for fare setting and choosing the strategy by themselves. Moreover, there was a global "resistance to change on the part of managers, unions and government institutions". It was recommended that inter-modal transport be organised at the regional level.

Question 7: To what degree have Commission strategies, programmes and projects contributed to improvements in health and safety, and in environmental impact?

In this report, the health, safety and environmental aspects were only alluded to. No recommendations were brought so as to limit the negative impacts of the Commission's interventions in these fields.

Nothing was said about how to reduce the negative impacts of the projects on the environment. Concerning safety, it was just remarked that "road accidents increased with higher speeds and higher traffic levels". As for health, the evaluators observed that "diseases can be spread more rapidly with greater access" but they did not go further.

Question 8: How far have strategies, programmes and projects sponsored and funded by the Commission, and the conditions and context of such funding, contributed to ensuring a gender sensitive access to transport services, as well as equal access to members of minority or disadvantaged populations?

Gender and minorities issues were not at all considered in this EDF evaluation.

Question 9: To what extent has the design of Commission-sponsored strategies, programmes and activities, especially the choice of beneficiaries, funding instruments and donor mix (including EIB) facilitated the achievement of specific objectives established for the sector?

- *How far a truly sector-wide approach was developed in the ACP region?*

First, the evaluation highlighted the limits of the project's approach: "A project is a convenient instrument and easy to administer from the donor's point of view". But "projects are usually framed with a view of short term, as an end in themselves and they are not designed to generate structural changes". Therefore, the evaluators recommended

adopting an integrated approach. They considered that a sound sectoral policy framework was an essential precondition for an effective aid.

As a first stage, the projects should be integrated specifically into the national sectoral planning process. Then, a programme approach should be adopted instead of a project approach. Indeed, the programme approach seemed a good way forward towards a truly sector-wide approach as it enabled a greater coordination (formulation of several projects at the same time, establishment of common support measures and so on). Eventually, the sectoral planning should be extended to a regional, or sub-regional, level where necessary and feasible.

The situation was quite different in the various sub-sectors. In the railways sub-sector, the performance of the projects was poor because the projects “addressed partial solutions within the context of an overall lack of sustainability for the mode as a whole.” Therefore, it was recommended that the EDF avoid emergency programmes and subject rail projects to careful, independent scrutiny before becoming involved. Radical changes to the railways’ management and operations appeared as a basic requirement. Concerning ports and airports, there was a lack of integration into the transport service as a whole.

The PAST in Senegal and IRP in Tanzania represented good practices concerning the sectoral approach. On the contrary, numerous secondary roads and rural tracks were included in wider rural development projects and thus not fully incorporated in sectoral transport policies or subsequent master plans.

The report recommended that the European Commission offers technical support to transport planning units and organise training programmes towards the ACP counterparts concerning transport sector planning. The evaluators even recommended that sectoral training modules be introduced as part of courses at the principal African universities. As a conclusion, the evaluation warned that the policy reform would be slow because of the significant political and organisational issues involved.

- *Were the project definition and appraisal activities of the PCM well suited to ensuring that projects meet stated objectives and are sustainable?*

First of all, the evaluators recommended that a permanent internal advisory committee be created in order to select projects and to give advice for feasibility studies and financing proposals. This committee would also have to ensure the compliance of the projects with policy guidelines and to make sure that lessons from previous operations were taken into account.

At the project definition stage, it was advocated that the scope of the projects should not be restricted to physical investments but should be widened to maintenance, institutional restructuring and measures such as axle load control. They also pointed out that it was necessary to eliminate projects that were marginal or unduly risky.

The identification stage was characterised by a lack of rigour and an insufficient identification of the impact on development. In particular, an insufficient analysis of the

macroeconomic and sectoral context was pointed out. Sometimes, the identification stage was even left out. Projects and programmes with vague or poor identified objectives were then approved, which was likely to result in unstated or unclear evaluation criteria. For this stage, the evaluators recommended that thorough analyses be carried out on the various options for the projects, taking into account the different modes and diverging approaches. They also advocated the use of a procedure with a network approach (ensuring that all flows of traffic and their geographic, economic and technical characteristics are taken into account).

In particular, the feasibility studies should become a key document and should include a full social, environmental, economic, technical and financial analysis according to the evaluators. What was reproached to the former feasibility studies was notably their failure to identify the project objectives for export revenues or regional integration and their frequent lack of realistic assumptions. Besides, the issue of modal competition and complementarity was rarely analysed at this stage. It was therefore recommended that feasibility studies evaluate the alternative transport modes and technical standards and identify institutional factors likely to impede the realisation of forecast project benefits.

At the formulation stage, a lack of rigour was also noticed. Moreover, the Ministry, the Commission and consultants were reluctant to show that the project may be risky. The evaluators advocated a strengthening of the role of local consultants at this stage. They also recommended gathering baseline data to establish performance indicators and they advised to decide during the formulation stage how much maintenance the proposed infrastructure would require.

Question 10: To what extent has the implementation and delivery by the Commission of support to transport projects facilitated the achievement of objectives, and if so, how has it benefited from the available tools of a sectoral approach?

- *Have EC interventions delivered their planned outputs?*

The implementation of most of the projects evaluated was quite successful in terms of deadlines and costs. This success was notably due to regular monitoring and to the fact that most projects concerned roads and that the formula for a road construction or rehabilitation was well tried and tested.

But there was no guarantee that the projects would have a lasting impact on the countries' economic development. It was then recommended to extend the projects' implementation scope, from physical aspects to the necessary institutional restructuring.

- *Have the tools described in the transport sector guidelines been utilised?*

The results given by traditional methods of analysis were considered not adequate to capture risk factors. Therefore, social cost or benefit analyses, based on sensitivity tests, were advocated. Backing up these analyses by probability analyses for the various scenarios tested was also advised.

As for the Commission, it was recommended that it devise appropriate strategies and guidelines to encompass aspects such as maintenance, institutional strengthening, private sector encouragement and so on.

- *Were monitoring and evaluation utilised to enhance the effectiveness of EC interventions?*

It was found that formal procedures failed to follow the economic, social and environmental impacts. Therefore, the best criterion of success was assessed to be the impact of a project or programme on the national economic and social development.

The evaluators advised to set up a database for future evaluations and a monitoring programme with indicators. They also recommended introducing a separate monitoring system for each project or programme at the design stage. Then, regular monitoring reports should be obtained from local consultants and beneficiaries and there should be practical means of redress when the monitoring reveals unexpected problems.

It was also highlighted that it would be necessary to strengthen the institutional resources (training and TA) of the ACP countries so that they can deal effectively with new planning, monitoring and control tasks.

2. Evaluation of the Tacis Interstate TRACECA Programme (1998) and Evaluation of the TACIS/TRACECA programme “Transport Corridor Europe Caucasus Central Asia” (2003)

- In the 1998 evaluation, the aim was to assess the impact of the TRACECA Programme in the Transcaucasus and Central Asia since this programme was launched in 1995, even if it was quite early in 1998 to give a definitive judgement on the success of this programme. A desk study and field visits addressing sixteen projects in seven countries were carried out by the consultancy firm TecnEcon to obtain the necessary findings and to deduce the relevant recommendations.
- In 2003, a mid-term evaluation was carried out by the firm Jacobs Consultancy to determine the impact of the TRACECA programme between 1998 and 2002 and to provide recommendations for the future strategy. Sixteen projects were subject to detailed review.

Question 1: To what extent were policy and programme development at sectoral level conducted in partnership with third countries since the publication of the last major evaluation and with what effect?

- *Were European Commission's interventions designed in a manner relevant to needs and problems identified in partner countries?*
 - The strategy objectives were much linked to the TRACECA political origin.

Initially, the strategy was mainly driven by political objectives. It was first necessary to lean on the governments of the partner countries to identify their needs and to arouse their involvement. This situation had an obvious impact on the choice of projects. Indeed, since each country wanted to promote its own interests, the selection of projects resulted from a compromise between various interests rather than from a regional perspective. The 1998 evaluation pointed out the difficulty of meeting both political and economic objectives for the TRACECA programme. The evaluators recommended increasing the cost efficiency.

The issue of a regional strategy was also raised. In the 1998 evaluation, it was recommended that coherence be ensured between the Tacis regional, Central Asia, country strategies, DG TREN's and IFIs objectives. In 2003, the evaluators encouraged this coherence at the regional level while highlighting the necessity to take into account the different needs of the three sub-regions (the Caucasus, Central Asia and the Black Sea) and the individual countries. They suggested to "achieve a fair balance between countries within the annual budget rather than through individual projects".

Both the 1998 and 2003 evaluations advocated the establishment of a business plan for the future TRACECA programme, notably with a timeframe distinguishing short, medium and long-term objectives.

- The Commission's interventions shifted from technical assistance to investments funding in order to adapt to changing needs.

Originally, the TRACECA programme was principally concentrated on technical assistance (TA) aimed at reducing the institutional barriers to trade and to ensure the sustainability of the reform process. It mainly consisted of data gathering, development of potential solutions and training. In the 1998 evaluation, it was recommended that TA be maintained and that it covers institutional change, legal structures consistent with conditions within the EU, transport forecasting (data collection and analysis in a regional centre) and prioritisation of investments. In 2003, it was noted that "significant advances" had been made thanks to TA.

Investments have also developed as time went by, mostly in the maritime and railways sectors, where the needs were the most obvious. It was noticed in 2003 that several high tech investments had failed whereas more basic investments were more successful. The failure of high tech investments was due to the absence of ownership by some of the recipients of this aid in some cases (for instance, a communication system for the ports was not used because it was not considered useful by the beneficiaries).

In 1998, the evaluators recommended that "investment funding within the TRACECA programme be limited to individual investments under ECU 5 million and that these should only be made available within and in support of a technical assistance programme". They suggested that a certain percentage of the budget be secured for TA.

- Were the different sub-regions and EU needs satisfied?

The 2003 evaluation pointed out that the needs were quite different in the three sub-regions. In the Caucasus, the TRACECA corridor was the only transit corridor whereas in the Central Asia republics, this corridor was marginal compared with other routes and in the Black Sea countries, the pan European corridors dominated. Therefore, “for most of Central Asia, the TRACECA corridor is not immediately attractive to reach Europe”.

Besides, the needs did not seem to be the same from the European and from the Tacis points of view. In particular, the evaluators noted that “very little is known about the TENs, even among the Tacis institutions in the region”. Therefore, they highlighted the need for an awareness campaign on this issue. In 2003, the necessity to cooperate according to the needs expressed by the concerned countries was also raised.

In 1998, the evaluators also recommended that the TRACECA policies be more adapted to the Tacis’ transport environment. Thus, they remarked that “priorities should be based on demands of the regional transport environment as it is, rather than to seek to impose European concepts such as inter-modal transport”. In particular, they questioned the relevance of inter-modal services since “the transport environment in the region may not be sufficiently developed to incorporate such systems at this stage”.

- Should TRACECA expand its membership and links with other regions?

The 1998 evaluation concluded that “there were pressures to expand the number of member countries in TRACECA and also to increase links outside the region”. The TRACECA membership increased between 1998 and 2003 and many 1998 recommendations had been taken into account in 2003. In 1998, the evaluators had recommended to give more emphasis to Iran and Turkey, all the more as most transporters connected with the TENs through Istanbul. This advice seems to have been heard since Turkey was a TRACECA (non Tacis) member in 2003 and Iran was expected to apply to join TRACECA. The 1998 evaluation had also pointed out that “European transporters were more interested in linkages into Romania and Bulgaria, given the trade facilitation problems in the CIS” and in 2003, Bulgaria, Romania and Turkey had become members of TRACECA.

Therefore, the TRACECA membership has increased and is still likely to increase according to the 2003 evaluation. Indeed, the applications of Iran and Afghanistan to TRACECA are expected and would be welcomed in Europe. China was interested but few in Europe viewed this membership in a favourable light. Greece applied to be an observer. However, as the 1998 evaluation advised it, the idea seems well spread that not too many countries should be included before greater harmonisation has been achieved between the other ones, not to jeopardize the cohesion of the current TRACECA members.

As for Russia, it is a specific case. Indeed, in 2003, Russia still did not want to join TRACECA as it considered that the TRACECA corridor had been established as an alternative route to Russia. On the contrary, Russia decided to establish a North-South corridor and a Russian transport infrastructure in the Caspian region. Currently, the other TRACECA members would not welcome Russia into TRACECA since they fear that

Russia would then take the leadership. However, the 2003 evaluation recommended that cooperation with Russia be increased since Russia is a major actor in the area.

- *Were links established between transport and other key sectors?*

The transport sector is seen as strategic so as to enhance the growth of oil and gas exports from the region. Indeed, the 1998 evaluation highlighted that the Caspian was an important centre for major energy producers. While the pipelines used to go through Russia, the Inogate EU programme aims at establishing “alternative oil and gas export routes to the markets of western, central and eastern Europe”, through the crossing of the Caspian Sea. The 2003 evaluation reveals that even if two thirds of the Caspian region oil exports were still exported through Russia in 2003, the TRACECA routes attracted one third of these exports, which represented a significant increase of the traffic compared to the former situation.

Besides, the 2003 evaluation showed that a link had been established between the transport sector and the ability to provide humanitarian help in the case of Afghanistan. Indeed, in this case, it had been necessary to improve the transport infrastructure in order to convey humanitarian and reconstruction materials.

- *Did changes take place in the style and content of dialogue-shaped programme definition and implementation?*

- Were the dialogue within and the communication about TRACECA efficient?

The content of the dialogue has changed since the set up of the TRACECA programme. In 2003, the evaluators showed that the approach had shifted from a single corridor focus to a multi-country “dialogue-driven” approach. They demonstrated that the name TRACECA gave the impression that it was a mere corridor that excluded Russia and that it did not show that the emphasis had been put on general cooperation in transport. The evaluators then advised that the name TRACECA be replaced by “Transport Cooperation”. The 1998 evaluation also put the emphasis on the opportunities of increased dialogue and better planning that would derive from the establishment of a Joint Commission, as a permanent regional institution.

Communication about the TRACECA programme has first focused on the visibility of the EU assistance in the region. Indeed, there has been a positive marketing of this programme that has created awareness and visibility about it. However, the TRACECA achievements are said not to be communicated effectively enough within the EC outside TRACECA because of a “lack of communicable strategy for TRACECA”.

- Did the EC play an active role in the coordination between donors?

The 2003 evaluation dealt quite comprehensively with this issue and concluded that, globally, the collaboration between donors was good at the working level but should be improved at the strategy level. It recommended that “each Terms of Reference be specific about how donor coordination will be achieved concretely”.

As regards the cooperation between TRACECA and the World Bank (WB), it was a typical case where the coordination was successful through the working groups (in the Caucasus for instance) but failed at the strategy level. The evaluators advised to strengthen the cooperation between TRACECA and the WB, in particular in the field of transport and trade facilitation.

Even if little coordination has occurred between the Black Sea Economic Cooperation, the Black Sea PETrA and TRACECA, the EC cooperated with other important donors in the region satisfactorily. The EBRD and the EC generally collaborated well at all levels. As for the cooperation between ADB and TRACECA, the evaluators recommended that TRACECA complement ADB's infrastructure investments by its technical assistance and that they cooperate on the Central Asian border harmonisation. They also advised that the TRACECA team cooperate with the ECE/ESCAP on the establishment of a database and forecasting system, and on a corridor development.

- *Did the Commission seek to address the needs of stakeholders outside government?*

This question was not tackled in any of the two evaluations.

- *Did the decision-making lean on reliable data?*

According to the 1998 evaluation, "TRACECA projects have provided a useful data base on the transportation aspects in the region". On the contrary, in 2003, the evaluators considered the data "inconsistent, unreliable" and that it "should not be circulated without more thorough checks by an expert". Besides, the traffic forecasting capability was said to be weak, "allowing forecasts for 2012 only". According to them, the data was not regularly reported upon either and forecasts often proved overoptimistic.

In 1998, it was recommended that TRACECA Coordinating Units provide a project database in order to facilitate the coordination and to draw lessons from previous experiences. In 2003, the evaluators advised to follow the example of the "Asia-Pacific Transport Database" that they considered a comprehensive and regularly updated database. They also stressed the importance of having a good database to monitor the performance of the corridor and to provide data for pre-feasibility and feasibility studies.

Question 2: To what extent has policy commitment from partner countries been secured so as to ensure the sustainability of transport strategies?

- *Was commitment from partner countries to transport sector reform secured?*

The implication of the governments on the TRACECA programme has been successful globally. Indeed, the 1998 evaluation noted that "there is a general government acceptance and support for the programme throughout the region" and that an "extensive network of contacts and working relationships" had been created.

However, in 1998, the commitment from partner countries still had to be increased. Indeed, the evaluators reported that the political context was not so favourable. They

noticed “a general lack of government institutions capable of making new transport policies and implementing them” and a slowness to change the legal framework of the transport sector. They recommended the creation of national and local specialised groups to enhance local participation and ownership.

According to the 1998 evaluation, another barrier to the involvement of the member countries in the TRACECA programme was that in many cases, there was not a unique interlocutor whom to speak to. Indeed, in several countries, there was no Ministry of Transport or there was no clearly defined regulatory authority.

As for the 2003 evaluation, it recommended that the strategy take more into account the countries’ views so as to enhance their commitment in the programme.

- *Were governments committed on the public expenditure side and in terms of capacity building?*

The 1998 evaluation deplored low levels of maintenance, which resulted in the deterioration of roads and railways. The lack of maintenance was particularly obvious for the ferries crossing the Caspian Sea, in particular for the antiquated roll on-roll off terminal at Baku. However, the evaluators recognised that some efforts had been made in this field in the last years preceding the report.

As for the 2003 evaluation, it is more optimistic about this issue. Indeed, it is told that the importance of winter maintenance was adequately acknowledged (the roads facing extreme summer and winter temperature ranges in this region). Besides, the TRACECA technical assistance and training seemed widely appreciated.

Question 3: How far have Commission strategies, programmes and projects contributed to the achievement of sustainable economic benefits?

- *Did the Commission’s interventions contribute to sustainable wealth creation?*

The 1998 evaluation noted that “initially, transport was seen as essential for the development of trade and economic regeneration” and that one of TRACECA aims was to “develop the full potential of the region’s mineral and energy assets”.

The 2003 evaluation underlined that an objective highlighted in the 2004-2006 Tacis strategic framework was “to assist the countries of Central Asia in their pursuit of sustainable economic development”. It also stressed that the TRACECA programme had shifted from a transport focus only to a transport and trade facilitation approach.

- *Did the EC interventions contribute to the reduction of logistic costs and prices of exported goods?*

The 1998 evaluation showed that logistic costs and prices were high for natural and geopolitical reasons. First, high transport costs resulted from “the long distances involved, the mountainous terrain in places and the barrier of the Black Sea and the Caspian Sea”. Secondly, transport costs increased after the independence because of the end of the “free

internal transport”, which jeopardised the competitiveness of the products at the international level. An effort was made to make up for this situation though. Thus, the Ministerial Conference of 1997 encouraged the establishment of tariff systems broadly based on costs.

Question 4: How far have Commission strategies, programmes and projects contributed to poverty reduction by improving access to essential services?

The issue of poverty reduction was not raised in the 1998 TRACECA evaluation. In 2003, the evaluators underlined that this question had only been alluded to at the theoretical level. Thus, they noted that one of the main objectives of the Tacis strategy for 2004-2006 was to “assist in poverty reduction”. In this framework, pilot poverty reduction schemes were planned. But not enough details were provided in these documents. Thus, the evaluators recommended that a preliminary assessment be made to show how each project may contribute to economic growth and poverty reduction.

Question 5: How far have Commission strategies, programmes and projects contributed to economic, and political integration across political and population boundaries?

- *What were the TRACECA objectives in 1998 and 2003?*

In 1998, the main TRACECA objective was to enhance the members’ regional cooperation and their capacity to access the European and world markets. The participating countries were considered to have common problems and interests since they were all in a state of transition and needed new markets.

In 2003, the regional cooperation, the promotion of stability and security in Central Asia were among the key priorities of the TRACECA programme.

- *The TRACECA corridor aimed at creating East-West links in addition to the previous North-South links in the region.*

The 1998 evaluation demonstrated that the TRACECA corridor aimed at redirecting the traffic towards Europe. Indeed, under the Soviet regime, “transport links had been created primarily for trade within the USSR”, in North-South directions (Northern corridors through Russia, Southern corridors through Iran and Turkey). In order to reorient trade towards the EU, transport patterns had to be drawn in an East-West direction.

The 1998 evaluation underlined that the TRACECA corridor bypassed Russia and Iran while Russia remained the main trading partner for most countries of the region and Iran was a transit country from Europe to Central Asia. The 2003 evaluation showed that the TRACECA corridor had extended its scope as it then crossed Turkey, Ukraine and Moldova.

- *To what extent were the links developed with other corridors in 1998 and 2003?*

Linking the TRACECA route with the Trans European Networks (TENs) was only decided in April 1997 so in 1998, there was no direct linkage yet between the Western end of the TRACECA route and the European market. The evaluators recommended carrying out an awareness campaign to convince the TRACECA countries of the benefits of links with other regional and international developments, including the TENs. In particular, they advocated the adoption of “a more flexible approach to routing by endorsing spur connections to other corridors via Iran, Turkey and Russia within the programme coverage”. It has to be noted that, since then, Ukraine was included in the TRACECA programme in order to link TRACECA with the TENs.

In 2003, the evaluators pointed out the limits of the Black Sea PETrA and the helpful role that it could play to link the pan European corridors to the TRACECA network. More political and technical support was suggested. As a whole, it was recommended that the links between TRACECA and the enlarged EU be improved through the relevant pan European corridors and the Black Sea PETrA.

- *Several political, economic and institutional barriers jeopardize the regional integration between TRACECA member States.*

In 1998, not so long after the collapse of the Soviet Union, the political context was marked by regional rivalry. Indeed, “the notion of region was linked in people’s minds with external domination”. Each country promoted its own projects, which compromised any regional approach. Therefore, the evaluators in 1998 recommended that the projects that did not benefit to all, or a majority of TRACECA countries be under the aegis of national Tacis programmes. As for the 2003 evaluation, it noted that the TRACECA regulation encouraged that interventions be taken at a multi-country level but that some countries still preferred bi-lateral agreements with non-TRACECA countries, including Russia and China. Besides, another kind of political barriers to regional integration was the civil unrest that occurred in several TRACECA countries and in adjacent countries such as Western China, Chechnya and Afghanistan. This civil unrest combined with a lack of common cultural identity resulted in limiting the cooperation between the TRACECA members furthermore.

In 1998, there was visibly no economic integration. Indeed, “following the collapse of the Soviet Union, each Republic became responsible for its own trade and transport affairs”, which bred new barriers against economic integration. The priorities and access to funding of these countries also varied widely. Besides, the countries were not at the same economic level, the ones owning oil, gas and precious metal resources being in a stronger financial position than the other ones. The 2003 evaluation underlined that “because of their oil wealth, countries such as Kazakhstan will become increasingly desirable partners”. It was then recommended to increase cooperation with these countries, through institutional means mostly.

Tackling institutional problems affecting the regional integration of the TRACECA countries has been an important element of the TRACECA programme.

First, the removal of institutional barriers would enable a greater integration between Europe and the region comprising the TRACECA member countries. The 1998 evaluation pointed out that it was “difficult for Western businesses to operate in the region except under the direct sponsorship of a government agency” and that the governments preferred institutional loans. It was also recommended that “greater attention be given to the steps necessary to bring about the harmonisation of transport policies to be consistent with the EU”. In 2003, the evaluators noticed that the EU had made efforts to adapt transport in Tacis countries to European standards and to enhance basic facilities and awareness of Western technology and European standards.

Secondly, resolving the problem of border crossings is important so as to ensure economic integration between the TRACECA members. In 1998, the needs for common legal and administrative conditions for transit traffic had already been stressed. The 2003 evaluation underlined that the procedures for customs clearance were unsuited, which implied long waiting times and charge of extra fees. However, this situation should be improved thanks to the new border-crossing programme, BOMCA (Border Management for Central Asia) that was about to be implemented in 2003 for three countries (Kyrgyzstan, Tajikistan and Kazakhstan) to train and equip border guards.

The expansion of the TRACECA membership may also raise institutional problems that could hamper regional integration. Indeed, the 2003 evaluation underlined that non-Tacis countries joining TRACECA might raise problems since they would not be entitled to benefit from TRACECA funds. The evaluators stressed that substantial improvements in organisation would be necessary before welcoming new members. Furthermore, according to them, “the inclusion of Russia would probably mean the end of TRACECA in anything like its current form”.

More generally, it was noted that institutional change was more limited in countries where the political power was centralised. In 2003, the evaluators advocated that the EU support “be directed in the first place at improving the environment in which transport operates (the legal, customs, bureaucratic, cultural, organisational and border crossing barriers)”. Considering the scale of these changes, both evaluations concluded that “the necessary changes in legislation and regulation will take some time to implement”.

■ *How far were international agreements developed?*

In 1998, the international agreements existing in the region were TRACECA, the Black Sea Economic Cooperation, the Economic Cooperation Organisation, the Caspian Sea Cooperation Zone and the SARAKs Agreement. The SARAKs Agreement only comprised four countries in 1998 and the evaluators recommended that its membership and scope be extended. They acknowledged that putting forward international agreements was difficult because countries were reluctant to lose the revenues of the transit fees and charges. However, they strongly recommended developing multi-lateral agreements, first of all between the countries that shared most things in common. Indeed, a Multilateral Agreement was signed between twelve countries at the Baku Summit in 1998 and a Permanent Secretariat was established in Baku.

Question 6: How far have Commission strategies, programmes and projects contributed to specific sector goals?

- *Did the Commission's interventions in the transport sector contribute to economic sustainability of transport?*
 - What is the TRACECA corridor's comparative advantage compared with alternative routes?

The 1998 evaluation revealed that the TRACECA route's cost effectiveness and sustainability within a market economy compared to other routes had not been demonstrated yet. Therefore, they recommended that "an economic evaluation of the TRACECA corridor in comparison with the alternative corridors" be carried out to justify future investment. The 2003 evaluation confirmed that the viability of the TRACECA corridor still had to be assessed as well as the current and potential use of the corridor. A global feasibility study was then planned but still had to be done.

In 1998, the evaluators particularly questioned the inter-modal system of the TRACECA corridor. Indeed, inter-modal transfers cost a lot and in particular, the transfers from road or rail to ferries to cross the Caspian and Black Seas were problematic. Thus, they showed that a uni-modal transport system would be more cost effective. Another solution to be investigated could also be to compensate the costs involved by inter-modal transfer by efficiency gains on the TRACECA route.

In the 2003 evaluation, the focus was put on the possible alternative routes. The following routes were suggested: the Volga-Don Canal (favoured by the oil and construction industries); the road via Turkey and Iran (to limit delays); the rail via Russia (to go to Kazakhstan for instance); routes from the Middle East, via Iran. As for the possible railway alternative routes, the Trans-Siberian Railway and the Trans-Asian railway were proposed. "The Trans-Asian railway-TRACECA routing would be the lowest cost route for several southerly rail routes to Almaty" but "potential investors were unconvinced that there would be enough traffic to use it".

- Is a single corridor viable?

In 1998, the evaluators insisted on the fact that the concept of a single route should be questioned. According to them, TRACECA should be seen as a series of sections or modal links, rather than as integrated through route. Thus, it should have spurs onto other corridors and should be "better considered as an alternative rather than an exclusive substitute along which traffic could be directed". As to the 2003 evaluation, it concluded: "In order to be immediately attractive, either the corridor has to be the only one available or origin and destination have to be on the corridor itself".

- What are the positive and negative aspects of the TRACECA route?

The 2003 evaluation pointed out that the main asset of the TRACECA route as it was first conceived was that "it is a shorter route from Southern Europe than the others and

benefits from not traversing Russia and Iran". In 1998, it was noted that "the Western part of the TRACECA route across Azerbaijan and Georgia appeared to offer greater potential for the growth of traffic in the short term" and that "the trans-Caucasus and trans-Uzbekistan sections of the roads had increased traffic levels". Some improvements in the quality of transport services, particularly in the ports were also noted. In 2003, a significant increase of traffic was noticed in Azerbaijan and Georgia (mainly because of oil traffic) from 1995 to 2001.

In 1998, the evaluators regretted that several bottlenecks or major risks still existed, in particular at the Red Bridge in Georgia and at the Amu Darya road bridge. In 2003, the evaluators shared the same opinion and recommended that the EU assist TRACECA countries to identify regional bottlenecks by funding related feasibility studies in close cooperation with IFIs. Besides, both evaluations underlined that it was a priority to improve the Caspian Sea crossing since having ferries "sailing only when demand was sufficient" was not satisfactory. The quality of the route in Central Asia was also considered to be poor.

- What are the respective assets and deficiencies of the various modes?

The 1998 evaluation recommended justifying the various assets of the respective modes and not adopting blindly a multi modal strategy for which the countries may not be ready. In 2003, on the contrary, the evaluators deplored the "failure to embrace inter-modal transport".

The maritime and railways sectors received almost all of infrastructure investments funding. The maritime sector was the sector where the major deficiencies were reported. According to the 2003 evaluation, the traffic was not dense enough to justify the Caspian Sea maritime projects, the institutional reform was insufficient and the level of port and shipping tariffs was too high. As for the Black Sea, its main ports were either confronted to over ambitious plans or security problems. In the railways sector, the 1998 evaluation reported a "poor quality of rail facilities, insufficient wagons and lack of wagon tracking resulting in inconsistent levels of service". In 2003, the decreasing competitiveness of this sector was attributed to inadequate services and tariffs.

In the other transport sectors, the investments were much smaller. In 1998, the evaluators considered that the TRACECA programme had "not adequately supported the road transport sector which was the sector with the greatest potential". However, in 2003, the road system was seen as globally "adequate for the current levels of traffic", not needing much funding thus. In 2003, the evaluators noted that awareness had been raised on maintenance needs but that the use of the computer-based Pavement Management System (PMS) had not always proved adequate since it required a big amount of data to be used. As for the aviation sector, the 2003 evaluation advised not to set the introduction of aviation in the TRACECA programme as a priority because of the political obstacles it may raise.

- What are the differences between the various sub-regions?

First, as underlined by the 2003 evaluation, the choices of transport modes are different in the various regions. In Northern Europe, the shippers prefer railways that they consider “safer and more reliable than road transit”. In Central and Southern Europe, road is the dominant mode.

In 2003, it was also emphasised that 58% of TRACECA investment funding focused on the Caucasus, at the detriment of Central Asia.

■ *Did the Commission’s interventions contribute to financial sustainability of transport?*

In 1998, the context was not very favourable to ensure the financial sustainability of transport through the involvement of the private sector and in particular of the International Financial Institutions (IFIs). Indeed, there was “a small private sector and an atmosphere not entirely supportive of Western inward investment”. IFIs generally considered that “the market had not yet developed to a stage whereby significant private sector investment in the transport sector was realisable”. But it has to be taken into account that “it is difficult to have a competitive market in many transport sectors”.

How far has TRACECA contributed to enhance the private sector? First, it was noted in the 1998 evaluation that “very little had been achieved to introduce a market approach and the level of private sector investment had been minimal”. The evaluators also pointed out that “national transporters would have liked to start services to Europe but lacked the resources and contacts to achieve this”. For instance, the CIS’ trucks did not comply with EC regulations but the transporters did not have the financial means to adapt to them. In order to facilitate the access to financing for the private sector, the evaluators recommended to encourage the reform of the banking system so that it notably facilitates credit for private investors and support the “creation of conditions in which Western companies can operate under joint ventures”.

The 1998 evaluation also advised that closer relationships be established between the local programme management and local transport organisations. However, it also recommended that TRACECA “promote the region and encourage interfaces between operators but do not become involved in support funding of commercial ventures” in order to avoid conflicts of interests. As for the 2003 evaluation, it proposed that “bidders for TRACECA projects demonstrate how they will include the private sector”.

To what extent have TRACECA and IFIs collaborated to ensure the financial sustainability of the transport sector? In the 1998 evaluation, it was showed that the TRACECA programme could play a catalytic role to encourage IFIs to invest in the transport sector. Thus, the cooperation with IFIs, even if limited, resulted in some investment in infrastructure, most notably in the port sector. TRACECA has been particularly useful thanks to the feasibility studies (even if not always of a sufficient quality) that were carried out to support some major investments of IFIs. However, the evaluators warned that there was a potential area of conflict between Tacis, that gives grants and IFIs that allocate loans.

In 1998, the EBRD was the major actor among IFIs, followed by the ADB. As for the World Bank, its cooperation with TRACECA had been limited at this stage. A barrier to

their investments is notably linked to the limits imposed by the IMF regulations. It was suggested that TRACECA and the IFIs, in particular the EBRD, conclude a framework agreement to enhance their cooperation.

- *Did the Commission's interventions contribute to institutional sustainability of transport?*
 - What was the context in 1998?

As it was explained in question 2, there was often not a unique interlocutor whom to speak to on transport issues in 1998. Indeed, "in many countries, the responsibility for transport was shared by other agencies such as the Office of Vice Prime Minister, the Ministry of Economy, a Roads Service Agency and the Railways Agency". Therefore, the evaluators recommended assisting the creation of a Ministry of Transport in each member country. Besides, in order to fight the general lack of local commitment, they advised to set up "project implementation units", comprising local experts and officials who could ensure the sustainability of the transport projects.

- Is the TRACECA coordination satisfactory?

Both evaluations recognised the importance of the Coordination Team and the quality of its members. But they also warned that it was not sustainable to rely exclusively on a few dedicated individuals. In the 1998 evaluation, it was recommended that the consultancy firm Tractebel improve the quality of its reports by adding clear recommendations about the strategy. In 2003, the evaluators recommended to have several task managers instead of one to adapt to the increased workload resulting from the extension of the budget and area covered from 2003 on.

The necessity to add resources in the field was particularly stressed by the 1998 evaluation. It pointed out that "the organisational structure of TRACECA in the field is complex and confusing for the representatives of the recipient countries". Therefore, it was recommended to add resident field experts in order "to improve the coordination of projects and the liaison with local partners".

Moreover, the 1998 evaluation insisted on the necessity for the EU to encourage the creation of regional institutions. Before the set up of a Joint Commission, the evaluators suggested to create two regional units: one for the Caucasus and one for Central Asia, both of them collaborating with the new member States Mongolia and Ukraine.

- What are the perspectives offered by the Multilateral Agreement and the possible future Joint Commission?

In 1998, the evaluators considered that the most important step for the future TRACECA was to establish a Multilateral Agreement and a Joint Commission. This would be a first step towards the establishment of permanent institutions for the region. The evaluators suggested that "Takis consider providing support funding to assist the financing of the Joint Commission and its permanent secretariat" through the provision of long-term experts. The Joint Commission would operate under the control of Heads of State, with permanent staff.

In 2003, a Multilateral Agreement actually existed as well as an Intergovernmental Commission (which is responsible for choosing the actions to undertake) and a Permanent Secretariat (that coordinates the activities between the signatory States). However, it seems that the structure and the responsibilities assigned to these bodies would need to be defined much more precisely. In particular, the evaluators underlined that the national secretaries usually had an insecure position, no contracts, nor works descriptions. Moreover, they were appointed by their national governments while paid by the contractors. Therefore, it was recommended that their status be clarified.

Question 7: To what degree have Commission strategies, programmes and projects contributed to improvements in health and safety, and in environmental impact?

These aspects were not addressed at all in the 1998 and 2003 reports.

Question 8: How far have strategies, programmes and projects sponsored and funded by the Commission, and the conditions and context of such funding, contributed to ensuring a gender sensitive access to transport services, as well as equal access to members of minority or disadvantaged populations?

This question was not tackled at all in the 1998 and 2003 TRACECA evaluations.

Question 9: To what extent has the design of Commission-sponsored strategies, programmes and activities, especially the choice of beneficiaries, funding instruments and donor mix (including EIB) facilitated the achievement of specific objectives established for the sector?

The 1998 evaluation revealed that “recipients did not fully understand the project cycle and had not been sufficiently involved in the process”. Therefore, they did not have a sense of ownership.

▪ *Were the projects defined in a relevant way?*

According to the 1998 evaluation, the projects were selected if they met a proposed budget, which was not satisfactory. It was then recommended that “there be greater consistency in project selection, with reference to the objectives of the programme”. The evaluators strongly advised that “certain funding criteria be developed within the context of a business plan for the TRACECA programme” and that other criteria be added to the existing objectives of the TRACECA programme in order to reflect its recent evolution. In 2003, new criteria had been defined compared with 1998. For instance, each project must involve at least 2 TRACECA countries and have a regional aspect. Besides, projects should be defined at the TRACECA level only when it provides a mutual benefit for a majority of the member states, as it was mentioned in question 5.

- *Were the appraisal activities well suited?*

In both evaluations, the Terms of Reference were considered too ambitious. It was recommended in a 2002 forum that the identification of projects be improved and that stronger conditionalities be required. As for the feasibility studies and economic appraisals, it was advised that they be done for all investment projects. There was also a call to raise the quality of feasibility studies to the level of the ones made by banks in order to ensure the “transparency of use of public funds”. Finally, the evaluators recommended that only sustainable projects be funded and that “no extension be given without a critical appraisal of the existing work”.

Question 10: To what extent has the implementation and delivery by the Commission of support to transport projects facilitated the achievement of objectives, and if so, how has it benefited from the available tools of a sectoral approach?

- *Have EC interventions delivered their planned outputs?*

According to the 1998 evaluation, the final outcomes of projects were sometimes hard to identify.

- *Have the tools described in the transport sector guidelines been utilised?*

In 2003, “Logical Framework Matrices (LFMs) were not available for any of the projects”. It was recommended that these be done for all projects and that they contain “a purpose, results and activities”.

It was also advocated that the new strategy (with a timeframe and appropriate levels of support) lead to revised guidelines to ensure better project selection and definition of the current institutions.

- *Were monitoring and evaluation utilised to enhance the effectiveness of EC interventions?*

The 1998 evaluation deplored that the beneficiary only received a feedback on the project once it was completed. Thus, it was recommended that the projects be evaluated at a much earlier stage and that the results be given to the concerned beneficiaries. They also advised to “increase attention to the effectiveness of past and current projects” while developing the future ones and advocated a better dissemination of the final conclusions of the projects.

3. Evaluation of the Tacis Interstate TRACECA Programme (1998) and Evaluation of the TACIS/TRACECA programme “Transport Corridor Europe Caucasus Central Asia” (2003)

This study evaluates the PHARE-financed transport programmes initiated between 1991 and 1998 for the ten candidate member states of Central and Eastern Europe. The objectives of these interventions were to facilitate the accession process and to reorient the transport strategy. This latter aim was all the more relevant in 1999 in the context of the imminent PHARE 2000 programme and of the need to develop the pan-European transport network. This evaluation, carried out by a consortium headed by TRADEMCO, based its analysis on the close observation of 17 representative generic projects.¹

Question 1: To what extent were policy and programme development at sectoral level conducted in partnership with third countries since the publication of the last major evaluation and with what effect?

- *Were European Commission's interventions designed in a manner relevant to the needs and problems identified in partner countries?*

From 1990 to 1997, PHARE interventions were globally assessed to be relevant and proved their ability to adapt to the changing needs of the ten candidate countries. Between 1990 and 1993, the interventions were focused on the needs of the Central & Eastern European Countries (CEECs) and were chosen by the respective CEECs' governments, without objective criteria. But progressively, from 1994 onwards, the EC did not only try to meet its partners' needs but also searched to answer its own priorities in the context of the pre-accession process. Interventions were then prioritised thanks to rational tools such as Master Plans, training needs assessments and supplementary studies.

Besides, the PHARE interventions towards the candidate countries have globally evolved from technical assistance in the early nineties to institution building and increasing infrastructure investment support from the mid nineties onwards. Thus, the amount of grants dedicated to institutional reform declined from more than 50% of the funds in the early nineties to less than 5% in the late nineties. In 1998, investment projects accounted for 86% of the PHARE transport programme's financial commitments while institutional reform projects represented 6% of these funds (the other kinds of projects being strategic studies and management support activities).

What are the PHARE comparative advantages to finance investments and institutional reform projects? As far as infrastructure investments are concerned, the PHARE programme is recognised to play a catalytic role on other investments. Indeed, PHARE can enhance the credibility of the project (thanks to the achievement of feasibility studies for instance) and its financial leverage, thus encouraging IFIs to invest in these projects too. Concerning institutional reforms, PHARE is particularly well suited to promote them since

¹ A generic project is a group of projects serving the same goal for the same beneficiary.

it can best determine the elements of the transport-related “acquis communautaire” that still have to be adopted. PHARE is all the more in a position to support the candidate countries (concerning the transposition of the Acquis for instance) that it is very doubtful that IFIs would finance these investments otherwise. Since a lot still had to be done in the candidate countries in terms of institutional reform, the evaluators recommended that more emphasis be put on institution building. Thus, they suggested that inside the transport sector itself, 70% of the funds be dedicated to infrastructure investments and 30% to institution building, as it was advocated in the 1997 PHARE programme guidelines for the PHARE programme as a whole.

Focusing investments on the road and rail modes (around 90% of the funds over the 1991-1998 period) was coherent with the Transport Infrastructure Needs Assessments’ (TINA) priorities for the candidate countries. The Agenda 2000 showed that the most urgent needs for transport infrastructure were the road, combined railroad transport and airports. In particular, it was pointed out that infrastructure investments were favourable for both the EU and the candidate countries, as they would enable to avoid traffic congestion on the trans-European networks. On the contrary, financial commitments for inter-modal transport were of only 1.4% during the period considered whereas this system was encouraged by the EU. As a conclusion, the evaluators recommended to justify the allocation of funds amongst the various modes of transport.

According to this evaluation, the specific needs of the candidate countries should be taken into account as far as possible in the PHARE transport interventions according to the priorities identified in the Accession Partnerships and in the Institution Building Plans.

- *Did the decision-making lean on reliable data?*

The transport statistics were considered too weak and the data was not gathered in a comprehensive way. Therefore, the evaluators recommended that “an advanced computerised documentation and archiving system” be set up, notably to make possible an overview of infrastructure developments in the candidate countries.

Question 2: To what extent has policy commitment from partner countries been secured so as to ensure the sustainability of transport strategies?

- *Was commitment from partner countries to transport sector reform secured?*

The governments gave much importance to the transport sector reform that they considered important to ensure their access to a wider economy and to strengthen the European integration. However, the evaluators warned that the measures should be introduced “in a step by step approach linked to market opening”.

- *Were governments committed on the public expenditure side and in terms of capacity building?*

As far as capacity building is concerned, the absence of a single entity responsible for the project cycle appeared confusing for the beneficiaries’ staff (this issue is tackled more precisely in question 6, in the part related to institutional sustainability of transport).

On the expenditure side, PHARE regular maintenance programmes guaranteed the sustainability of investment projects and were adapted to the capacities of the partner countries. Indeed, these programmes were said to be “well established and within the beneficiaries’ budget and staff capabilities”. The necessary funds were either levied thanks to road user charges or taxes on fuel or by road tolling.

Question 3: How far have Commission strategies, programmes and projects contributed to the achievement of sustainable economic benefits?

This question was not tackled in the evaluation report.

Question 4: How far have Commission strategies, programmes and projects contributed to poverty reduction by improving access to essential services?

This issue was not raised in the evaluation.

Question 5: How far have Commission strategies, programmes and projects contributed to economic, and political integration across political and population boundaries?

Between 1991 and 1998, the relatively little emphasis given to regional integration was illustrated by the fact that only 25% of the PHARE total commitments were dedicated to Multi-Country Programmes (MCP) and Cross Border Cooperation Programmes (CBC) compared with 75% for National Programmes. However, from 2000 onwards, it was forecast that ISPA and PHARE would strengthen regional integration between the candidate countries and with the EU thanks to the extension of the TENs into Pan-European Transport Corridors (PETCs). Besides, the evaluators advocated that a multi-country transport programme be set up to “focus on organisational and institutional issues and to overview projects affecting more than one country”.

Question 6: How far have Commission strategies, programmes and projects contributed to specific sector goals?

- *Did the Commission’s interventions in the transport sector contribute to economic sustainability of transport?*

The evaluators reported that “missing links in infrastructure persisted, notably between the EU and the candidate countries” and that investment projects were usually less effective than institutional projects. They explained this situation partly by the insufficient management input that was dedicated for the investment projects, these projects sometimes being chosen because they can absorb the budget quickly with little management input (whereas the latter is necessary).

However, the TINA project was presented as highly effective, as it acted as “a catalyst for the adoption of an investment programme by all accession countries”. This project notably advocated two pragmatic measures to ensure economic sustainability and relevance of the PHARE programme for the candidate countries. On a technical point of view, the TINA report recommended that technical standards of the future infrastructure be defined in accordance with expected traffic flows. On the financial side, this report advised that the cost of the network do not exceed 1.5% of each country’s annual GDP over the period up to 2015, year when this network should be completed.

Roads projects were usually successful. In particular, a regular maintenance was ensured, which guaranteed the economic sustainability of transport investment projects. On the contrary, railways projects encountered more difficulties, mostly because “high level officials were still reluctant to implement the necessary changes for transforming railways to a market oriented enterprise”.

■ *Did the Commission’s interventions contribute to financial sustainability of transport?*

First of all, the evaluators pointed out that it was essential that PHARE continue to provide grants since this specific kind of financial contribution was particularly appropriate for certain types of interventions (such as institutional support for the adoption of the Acquis, externalities of investment projects) that would probably not be carried out by IFIs or private operators otherwise.

As for the cooperation between PHARE and IFIs, it started around 1994 when PHARE tried to foster the IFIs’ participation by giving grants for infrastructure investment projects so as to encourage IFIs to invest in transport projects in the candidate countries. During the period preceding the establishment of Ispa, in 1998 and 1999, a Large Scale Infrastructure Facility was set up. Under this funding, PHARE co-financed big infrastructure projects with the major IFIs, such as the EIB, the EBRD and the World Bank. However, “no evidence could be found that it would facilitate the involvement of the private sector in projects of commercial interest”.

The PHARE programme also tried to promote the private sector through institutional support but the projects that attempted to introduce privatisation in the transport sector faced several drawbacks. In 1999, the evaluators noted that efforts still had to be done to modernise the operations of the transport operators and that this restructuring was a necessary pre-requirement to ensure sustainable infrastructure projects. However, the road sector was an exception since it was already deregulated at that time, with an increasing involvement of the private sector. The first intervention that the evaluators advised to undertake was to raise the awareness of policy makers in the candidate countries on the benefits of privatisation, notably to reduce the public sector’s deficit. Secondly, they recommended that the “financing of activities not related to the Acquis, such as the restructuring of transport operators, should be justified on a case by case basis since they do not always make a contribution as a public good. Such activities could be largely financed by the IFIs and / or the private sector”.

The evaluators also called attention on the respect of fair competition and rational pricing in the transport sector. They regretted that the PHARE Transport Programme did not analyse, nor tried to reduce the distortions of competition that could result from its grant subsidies. In order to avoid these distortions, they recommended that “PHARE grants for commercial operators or beneficiaries that generate revenues (e.g. tolls, passenger and freight tariffs in railways, port dues in ports) be calculated strictly on the basis of the difference between the financial and economic rate of return of such operations, in order to avoid market distortion”.

■ *Did the Commission’s interventions contribute to institutional sustainability of transport?*

PHARE interventions concerning institutional reforms were assessed to have considerably helped the candidate countries on the one hand to absorb the PHARE financial aid efficiently and on the other hand to adopt the Acquis. PHARE projects enabled the candidate countries to have more market-oriented and European standards-like transport procedures and they encouraged the use of strategic and financial studies before investments. However, 80% of institutional support projects lacked sustainability according to the evaluators. The latter then recommended that “priority for PHARE financing should be given to the approximation of laws and regulations (including European norms and standards), the strengthening of the relevant governmental agencies in the transport sector and the respective training required”, which will be analysed more precisely underneath.

Concerning the Commission’s interventions to facilitate the adoption of the laws and regulations of the Acquis, they were globally judged satisfactory. Indeed, many transport laws were transposed in the candidate countries. However, the sustainability of these interventions was not ensured, all the more as the adoption of a law does not imply systematically its enforcement. The “Accession Partnership” agreements point the gaps to be filled to integrate the Acquis.

As far as the strengthening of institutions is concerned, a major problem noticed by the evaluators was the “splitting of responsibilities between too many parties (DGs, Delegations, Task Managers, PCUs and PMUs, beneficiaries, etc.)”, which “led to weak project management structures and the absence of a single entity responsible for the complete project cycle”. Therefore, they recommended that a clear, overall responsibility be defined to manage the PHARE Transport Programme.

As for training, PHARE interventions in this field were globally considered insufficient. The evaluators pointed out that there was still a strong need for more training concerning EU laws, financing methods, logical framework analysis, PHARE procedures (especially tender ones), EU standards etc. in the transport sector. Even if it did not happen often enough, the setting up of training departments or schools and the training of future trainers were highly appreciated and should be developed further. More globally, the evaluators recommended that an integrated training strategy for each beneficiary be established. Close cooperation and exchanges (“twinning”) were particularly encouraged in order to facilitate the incorporation of the Acquis in the candidate countries.

Question 7: To what degree have Commission strategies, programmes and projects contributed to improvements in health and safety, and in environmental impact?

The evaluation recalled that the transport sector Acquis notably concerns environmental protection, transport safety and social issues and that these issues should then be tackled in the candidate countries. However, they noted that in these fields, transport in the partner countries did not comply with the EU standards, even if some improvements were noted. The evaluators recommended that PHARE focus on “public good aspects, such as transport safety, interoperability and environmental protection”.

Question 8: How far have strategies, programmes and projects sponsored and funded by the Commission, and the conditions and context of such funding, contributed to ensuring a gender sensitive access to transport services, as well as equal access to members of minority or disadvantaged populations?

These aspects were not alluded to in the evaluation.

Question 9: To what extent has the design of Commission-sponsored strategies, programmes and activities, especially the choice of beneficiaries, funding instruments and donor mix (including EIB) facilitated the achievement of specific objectives established for the sector?

- *Has the EC had a leading role and ensured complementarity with other sector donors?*

This evaluation shows that PHARE and IFIs financing impacts are complementary. Indeed, PHARE's grants enable to take into account the externalities of investment projects while IFIs' loans force the actors to establish priorities and finance viable projects. The contribution of PHARE to the total external financing for transport investment projects between 1991 and 1998 was around 25%.

There have been some problems of coordination between PHARE and IFIs when co-financing projects, mainly because they had different procedures and because the PHARE disbursements were slower than IFIs' ones. However, some attempts were made to reinforce their cooperation. Indeed, two Memoranda of Understanding were signed in 1998, on the one hand between the EC, EBRD and IBRD and on the other hand between the EC and the EIB. In this context, a new multi-beneficiary, multi-country investment programme was set up.

The evaluators also advised that IFIs have the leading role: “For co-financed investment projects, the option of joint financing must be followed with the IFIs taking the lead and applying their own contracting and tendering procedures to all project sections. This is necessary not only because the IFIs' funds available are much larger than those of PHARE but also because IFIs have more experience and technical staff to manage infrastructure developments”.

- *Were the project definition and appraisal activities of the PCM well suited to ensuring that projects meet stated objectives and are sustainable?*

First of all, the evaluators insisted strongly on the inadequacy of the management procedures that resulted in a loss of effectiveness and impact of the projects. Delays were accumulated: delays due to long and complex PHARE contracting and tendering procedures, delays in payments and other occasional delays linked for instance to the hard weather conditions in winter. This combination of delays implied that “it usually took about 3 years from the signature of the Financing Memorandum until the signature of the respective contracts”. Therefore, the evaluators strongly recommended that “the time scale of maximum one year from signing the Financing Memoranda to project start, as proposed by the PHARE guidelines”, be respected. They also stressed the need to elaborate simplified, more flexible and quicker administrative, tendering and contracting procedures.

Concerning pre-investment activities, their quality was not considered satisfactory. Indeed, strategic or pre-investment studies such as Master Plans were often inexistent or inadequate. The identification and formulation stages were also judged problematic. The evaluators recommended that PHARE go on doing pre-investment activities but that the quality of these activities is raised to the quality level of the IFIs. They also suggested that feasibility studies determine the optimum level of support for PHARE, the IFIs and the private sector and that they show the revenues that could derive from the projects.

Question 10: To what extent has the implementation and delivery by the Commission of support to transport projects facilitated the achievement of objectives, and if so, how has it benefited from the available tools of a sectoral approach?

- *Have EC interventions delivered their planned outputs?*

The evaluation reported that “almost all of the investment projects evaluated were in conformity with their Terms of Reference and produced the expected outputs without significant budget overruns. However, management efficiency was generally mediocre to poor” (mainly because of delays during the preparation phase as was shown in question 9).

- *Have the tools described in the transport sector guidelines been utilised?*

As far as the logical framework (LF) approach is concerned, its use evolved with time. From 1990 to 1993, only urgent needs were satisfied and the LF approach was used very little. Then, from 1994 to 1997, in the context of the setting-up of a long-term policy framework, the LF approach was better used. Finally, from 1998 onwards, the LF approach remained well used at the strategy level. However, it was not regularly updated and was not often used at the project level. Besides, the beneficiaries encountered difficulties to use it. The evaluators recommended that a logical framework matrix be developed for each programme or project and be updated regularly.

- *Were monitoring and evaluation utilised to enhance the effectiveness of EC interventions?*

Concerning monitoring, a “lack of quantifiable indicators and agreed benchmarks for monitoring and evaluation” was deplored. Improving monitoring measures appeared very important to the evaluators in order to increase the sustainability of the projects.

Annex 10 - Overview of EC interventions in the transport sector in third countries

1 Introduction

The purpose of this annex is to provide an overview of the sources and information on EC and EIB interventions in the transport sector during the period 1995-2001 covered by this evaluation.

Two major types of sources were used: policy sources and project-related sources. Under policy sources are listed those that provide information on general principles of the EC external relations, on regional strategies, on EC bilateral cooperation programmes as well as the policy documents of partner countries and those produced by other donors. The project-related sources concern lists of projects (from EC and EIB interventions) as well as more general project related documentation and existing evaluations of EC projects in the transport sector.

A brief description of these different types of sources is provided, with a view to identifying where information can be found to address both the evaluation questions and the evaluation criteria.

2 Policy sources

The evolution of the EC objectives towards a specific region or sub-region and the instruments used often reflect a policy dialogue and discussions within international organizations or results from multi-lateral initiatives (such as the Euro-Mediterranean Transport Forum, or the SADC's Transport and Communication Commission). In turn, these multi-lateral meetings give birth to policy declarations showing the directions to follow on particular issues (such as the "Memorandum of Understanding on the development of the Pan-European Transport Corridor X", the declarations from Pan-European Conferences, etc.).

2.1 Regional strategies

Transport sector papers drafted for particular regions allow making comparisons between different types of interventions and specified objectives addressed for distinct geographical areas.

A rich literature on the transport sector has been developed for the ACP region. To give only a few examples: the DG Development archives include not only documents related to the EC interventions but also to multi-donor initiatives gathered under the umbrella of SSATP. The Sectoral Guidelines for Transport saw the daylight in 1996¹. In parallel, a Communication has been announced on Liberalisation of Shipping in West and Central Africa and the Role of Development Policy². The EC is an active member of the Road Management Initiative together with the World Bank and is supportive to the Rural Travel

¹ EC (1996), Towards Sustainable Transport Infrastructure – A Sectoral Approach in Practice: Transport Sector Guidelines, DG Development.

² From DG Development archives, mimeo.

and Transport Programme and to Trade and Transport, both being components of SSATP.

The information is unfortunately less abundant for other geographical zones, especially when cooperation from before 2001 is concerned. The Communication “Enhancing Euro-Mediterranean Cooperation in Transport and Energy” has indeed been published in 2001³. Important policy dialogue initiatives have been undertaken in the framework of the Barcelona process, notably the Euro-Mediterranean Transport Forum set up at the end of 1998 and composed of representatives of the 27 Euro-Mediterranean partner countries, the EC, international financial institutions (EIB, WB) and other international organizations concerned (UN/ECE). This initiative is considered as the reference forum for developing regional cooperation in the transport sector⁴. Sub-regional initiatives are also being developed, such as the establishment of the Group of Transport Ministers for the Western Mediterranean for the sub-regional cooperation⁵. The middle-income Mediterranean countries are, however, mostly financed through EIB loans.

Regional programmes are the main line for the EC activities in the transport sector in the CIS. The so-called TRACECA programme aims at the development of a transport corridor between Europe and Central Asia crossing the Black Sea and the Caspian Sea. A new Strategy for Central Asia has been adopted by the TACIS Committee in September 2002 for the next three years where 6 Mio Euro out of a total envelop of 150 Mio Euro have been devoted to transport⁶.

In the Balkans, EC interventions have been developed under the umbrella of the Stability Pact (Infrastructure Steering Group). The EC is seconded by the European Agency for Reconstruction based in Pristina and responsible for the management of ca. 50% of European funds for the region. With the end of the war, the main part of the transport budget has been allocated to the reconstruction and rehabilitation of infrastructure. Support to sustainable transport development enters only gradually in the EC programming agenda.

³ COM (2001) 126.

⁴ With annual meetings, for example in Malta in March 1999, in Brussels in November 2000, etc.

⁵ Involving representatives from France, Italy, Spain, Portugal, Morocco, Algeria and Tunisia. No equivalent exists for the Eastern Mediterranean.

⁶ Information from AidCo, Direction “Europe, Caucasus and Central Asia”, Unit “Energy, Transport and Infrastructure” (A/4).

Transport is not a focal sector for EC interventions in Latin America and very little information is available about the Commission's strategy in this respect. The same is true for Asia. In addition, some of the EC interventions in the transport sector fall under the responsibility of EC services dealing with "economic cooperation" instead of "infrastructure" or "transport"⁷, which makes even more difficult the identification of relevant EC-supported activities in this area.

In addition to these "strategic sources", the Council puts at the disposal of the EC instruments to support cooperation in various domains through its Regulations about the provision of technical and financial assistance for different regions.

Regulations define priorities to be financed in particular geographical zones (TACIS, MEDA, CARDS, ALA).

2.2 EC bilateral cooperation programmes

Sector-based strategies defined for all non-OECD countries⁸ or for a particular region⁹ are translated at the specific country level in bilateral cooperation programmes, i.e. in Country Strategy Papers, Indicative Programmes and Cooperation and Association Agreements (for the CIS¹⁰, MED and Balkan countries).

According to these documents, in the five countries where field missions have taken place and in the fifteen countries where the questionnaire survey was led, the importance of the transport sector in the cooperation between the EC and the concerned governments are the following in the different regions:

a) ACP countries:

- ✓ EC interventions focus on the transport sector in the 13 ACP countries considered. This sector is even the most important one for 8 of these countries.
In general, the share of the budget allocated to transport is around 30 to 50% of the total aid. In the Central African Republic, transport even makes 80% of total EC aid.
- ✓ Objectives of the European Commission and of the partner countries are the following, according to the CSPs, NIPs and PCAs:

_ for the most part:

- Enhance regional integration; become (again) a transit country
- Increase the access of landlocked areas to the rest of the country
- Ensure the sustainability of investments (maintenance)

⁷ For example, a civil aviation project (Annex 3, table 3.1.d) is under the responsibility of the Unit "Economic Co-operation" at the Direction "Asia" (AidCo D/2).

⁸ For instance, COM (2000) 422.

⁹ For instance, COM (2001) 126.

¹⁰ In the CIS, for most of the cases, EC interventions in the transport sector outside the TRACECA programme take place on a case-by-case basis due to the policy-taking status of the Commission in its relations with the partner countries.

- Provide access to social services
- Guarantee the supply of the population and the export of local production

_ at a lesser extent:

- Reduce transport costs
- Stimulate economic activity
- Fight poverty
- Contribute to the revival of the private sector
- Create employment (in one case)

b) TACIS countries:

- ✓ Transport is a focal sector in *Ukraine* (where the sector « transport and energy » is one of the six priority sectors). In *Russia*, one of the four main sectors is economic cooperation in various sectors, including transport. On the contrary, transport is not a priority in *Georgia*.
- ✓ According to the strategic documents, main objectives are the following:
 - Stimulate regional integration and cross-border cooperation.
 - In Ukraine and Russia, modernisation of transport modes.
 - In Georgia, the objective is also to strengthen the peace process between South Ossetia and Georgia itself.

c) MEDA (Morocco):

- ✓ The transport sector is « important with a view to the integration, and eventually the establishment of a future Euro-Mediterranean free trade area». To this end, modernisation of the transport modes of common interest has been planned, in correlation with the main trans-European communication roads.
- ✓ Transport infrastructure is mostly financed by EIB loans.

d) Latin America (Bolivia):

- ✓ In Latin America, transport is not a focal sector and cooperation activities in this field are very recent.
- ✓ In Bolivia, the main objective of transport development is to reinforce regional integration.

e) Asia (India):

- ✓ In India, the transport sector does not appear as a priority in the PCA. Nevertheless, two large scale, maritime and aviation, projects have been launched in 2000.
- ✓ The main objective of these projects is to improve the conditions for trade and investment in these sub-sectors.

f) Cards (Albania):

- ✓ In Albania, transport is a focal sector.
- ✓ The principal objective is to facilitate the transit towards the Southern Balkans through Albania thanks to the rehabilitation of infrastructure.

2.3 Policy documents of partner countries

Access to regional and national policy documents, as well as transport sector-based strategies of beneficiary countries is crucial in addressing a series of evaluation questions and assessing the relevance, possible impact, and sustainability of EC interventions.

Documents produced by various operators in the transport sector (such as bus companies), regulatory bodies (for example Road Authorities or Boards involving both private and public sector representatives, business associations), or institutionalised transport users (such as associations of cotton or tea producers) contain not only information on the strategies, policies and detailed programmes implemented, but also on issues such as policy dialogue, commitment of various parties to the development of a sustainable transport sector. The same operators often release qualitative analyses of various features characterising the transport sector and statistical information, which are valuable sources of indicators to judgement criteria defined for the evaluation questions (Section 3).

2.4 Policy documents produced by other donors

Policy documents produced by donors or groups of donors (programming, evaluations of impact) provide also complementary information on EC activities, if the latter is involved in some multi-donors programmes (such as the Sub-Saharan Africa Transport Programme) and/or on coordination with other multilateral institutions and bilateral development bodies intervening in the transport sector. Special attention was devoted by the consultants to EU Member States strategies and programming documents relevant for the transport sector.

There exists a rich literature where basic assumptions under which the EC (and other donors) intervene in the transport sector are discussed. In a World Bank paper¹¹ and an ADB report¹² linkages between transport and growth and transport and poverty are being checked and for some cases put under questioning. The IMF published an article according to which Road Funds can be successful only when numerous conditions are satisfied¹³.

¹¹ World Bank (1997), Transport and poverty.

¹² Asian Development Bank (2001), Impact of transport and energy on poverty.

¹³ Potter, B. (1997), Dedicated Road Funds: a preliminary view on a World Bank Initiative, IMF Paper on Policy Analysis and Assessment PPAA/97/7, June.

3 Project-related sources

3.1 Projects and types of activities

The main project-related sources used so far by the evaluators are the *Common Relex Information System* (CRIS) and the information obtained from the *European Investment Bank* (EIB).

On the basis of these instruments, the evaluators have constituted “project lists” that offer a rough overview of projects implemented in the transport sector in the period 1995-2001 in the different geographical zones. Below follows the explanation of how these lists have been constructed and what their limits are.

The CRIS database

The CRIS database provides on-line information on the technical, financial and accounting progress of projects/programmes for third countries. There are two databases:

- CRIS Consultation, which is the current database and contains the biggest amount of information, especially for ACP countries;
- CRIS Saisie, which is the new database being developed and in which few projects have been entered yet, even if there are more PHARE, TACIS and CARDS projects than in CRIS Consultation.

More specifically, the CRIS Consultation database displays for each project the country or region in which it is planned (and the zone¹⁴ to which it belongs), the project title and number, the amounts planned, contracted and paid and the corresponding budget line as well as the sector to which the project belongs. CRIS Saisie shows for each project what are its title, the planned commitments for it, the country where it takes place and the name of the person in charge of the project. Therefore, only the planned commitments will be considered hereafter since it is the only amount that appears in both databases.

The list of projects financed by the EC has been obtained by selecting from the CRIS database the projects that appear to be part of the transport sector in the broad sense, i.e. ranked under a transport related keyword¹⁵. Among these projects, only those implemented in non-OECD countries have been retained. Besides, taking into account the time elapsed between the moment when commitments are planned for a project and the moment when the project is actually implemented, the team selected the projects for which commitments were planned between 1990 and 2001. Indeed, projects implemented in the period 1995-2001 are financed through funds committed either between 1990 and 1995 or between 1995 and 2001. Thus, for the ACP zone, only projects financed by the 7th and 8th EDF were taken into account.

¹⁴ The five zones distinguished are ACP, CIS & Balkan, MED, Asia and LA.

¹⁵ The following sectors were selected: water transport, road transport, rail transport, air transport, transport policy and administrative management, development of infrastructure networks, transport road infrastructure, reconstruction, infrastructure (energy, transport, telecom).

The CRIS database used to get a first overview of projects supported by the EC for the period 1990-2001 has been re-worked project-by-project, based on the projects' title. Have been eliminated from the list:

- projects for which nor the mode nor the type of intervention were possible to identify;
 - projects that seemed to have been encoded twice:
 - ✓ because the same projects were considered at different phases of the project's financing procedures (PMS, DAGT, PACA, ...);
 - ✓ because projects were registered both in CRIS Consultation and CRIS Saisie;
 - ✓ because several projects had the same project number, amount committed, similar title.
- The duplicates were then removed.
- projects that represented an insignificant amount of funds committed¹⁶.

The projects were then grouped by zone and the planned amounts allocated to the projects summed up for each country. In total, the list obtained contained 841 projects. Table 1 below summarizes for the ACP, TACIS, CARDS, MEDA and ALA zones the number of transport projects and the amounts allocated.

Table 1 – EC projects by regions

Regions	Planned commitments	Distribution of commitments in the regions	Number of projects
ACP	3.723.542.961	75%	626
TACIS	638.357.039	13%	114
CARDS	279.859.584	6%	81
MEDA	205.625.356	4%	11
ALA	89.661.850	2%	9
Total	4.937.046.790	100%	841

Source: Based on the CRIS database.

In order to identify the types of activities financed by the EC, projects identified in the CRIS database have also been sorted by transport mode. The following table shows how much has been invested in each transport mode:

¹⁶ Less than 1,000 Euro.

Table 2 – EC projects by sub-sectors

Sub-sectors	Planned commitments	Distribution of commitments in the sub-sectors	Number of projects
Road infrastructure	3.392.770.483	69%	336
Administrative management	652.510.375	13%	296
Infrastructure (not further specified)	495.217.264	10%	61
Air transport	161.852.360	3%	63
Water transport	148.585.106	3%	64
Rail transport	86.111.202	2%	21
Total	4.937.046.790	100%	841

Source: Based on the CRIS database.

The projects list obtained¹⁷ offers thus a first overview of projects supported by the EC for the period 1995-2001. It is however important to underline that the reliability of the information gathered is difficult to ascertain. The CRIS database brings together three information systems developed independently by geographical DGs to support Community projects/programmes for the third countries (not counting several other autonomous applications, including some managed outside the Commission): the GRIOT of DG VIII, DESIREE of DG 1A and MIS of DG 1B¹⁸. At the time it was utilised for this report, it was still under construction.

Accordingly, several observations should be taken into account:

- It appears that not all projects related to the transport sector are included in the database¹⁹.
In particular, humanitarian or emergency interventions (managed by ECHO), food security and rural development programmes as well as urban development might also incorporate transport-related projects (for example projects relative to non-motorised transport that are missing in the “transport lists”), but it has not been possible to obtain more detailed information. Special budget lines, such as STABEX, are not included in the above database either.
- Projects’ titles are not always precise. For the CIS, Balkan and MED zones, it may occur that non transport related projects have been incorporated in the list: the general headings of the sector to which they belong (for instance “Infrastructure: Energy,

¹⁷ These lists were sent to the people in charge of the transport sector within the AidCo directorates covering the respective zones, with the request to react on the completeness of the information displayed and the relevance of the “selection” (ranking) proposed. Comments and complementary information were received from several units.

¹⁸ See European Commission, *European Development Policy. Targets and indicators*, Seminar, 26.ii.02.

¹⁹ Some of the directorates contacted have indeed identified projects that were not present in the list. The list for Latin-America, for instance, does not mention the following projects: “Road Jinotega – El Guayacan (Nicaragua), “Studies road Piura – Guayaquil” (Peru and Ecuador), “Studies needs harbour Hydroid” (South-America), “Navigability of the stream Uruguay” (Argentina and Uruguay), “Training in river and maritime security” (Uruguay).

Transport, Telecom”) and the project titles do not provide enough detail to determine if a project is related to transport or to another sector.

- Moreover, a large project is often composed of various components (for instance construction works, technical assistance and budgetary support), which cannot be identified from the database only.
- Even if the database has been cleaned, some projects may still appear several times in the lists.
- The reliability of the amounts has not been confirmed. The information provided should be read looking at relative weights of particular figures only.

The Unit in charge of “Energy, Transport and Infrastructure” at the Direction “Europe, Caucasus and Central Asia” (AidCo A/4) has presented the list of TRACECA Technical Assistance Studies which displays 54 projects in 10 countries, for the period 1995 to 2002. The total amount allocated to projects is of 109,705,000 EURO. This list provides valuable information to complete CRIS information on the regional projects undertaken with TACIS funds.

Even though the information provided by the lists appears to be neither accurate nor exhaustive, it provides the best possible assessment to date of the volume of the EC support to the transport sector in third countries over the period 1995-2001.

The EIB projects

The EIB has communicated a comprehensive list of all its non European Union and non-accession countries transport projects to the evaluators. It contains 118 projects for 50 countries/regions.

For each country/region, it lists the year and number of project, the name of the project, the activity classification (roads, rail, etc.), a short description of the project (not for all projects), the attribution date, the total cost in EURO, the loan amount in EURO, the furtherance of the project and the status of the project.

As the lists also display projects that have not been approved or that have been abandoned, a sub-set has been constituted, selecting those projects that are mentioned at least as approved (thus also those identified as signed for instance).

Enabling an overview of approved projects for the period covered, the list also allows a comparison with the planned projects of the CRIS database²⁰. As a result, 55 projects were listed in a total of 27 countries (ACP 12, Balkan 5, MED 6, Asia 3, LA 1). Their distribution by modes and by regions is summarized below:

²⁰ It has nevertheless been stated by the responsible of the directorate Latin America that the CRIS database contains also projects that are under preparation and thus have not been approved. As this does not appear from the database, it has not been possible to select only approved projects.

Table 3 – EIB projects by sub-sectors

Sectors	Turnover (in €)	%	Number of projects
Roads	1.072.290.153	51%	21
Railways	373.000.000	18%	9
Air transport	270.173.000	13%	12
Water transport	237.000.000	11%	9
Urban transport	165.000.000	8%	4
Total	2.117.463.153	100%	55

Source: Based on the list of projects provided by the EIB.

Table 4 – EIB projects by regions

Regions	Turnover (in €)	%	Number of projects
MED	1.054.123.000	50%	22
ACP	343.800.000	16%	17
CARDS	574.000.000	27%	12
ASIE	107.540.153	5%	3
AL	38.000.000	2%	1
Total	2.117.463.153	100%	55

Source: Based on the list of projects provided by the EIB.

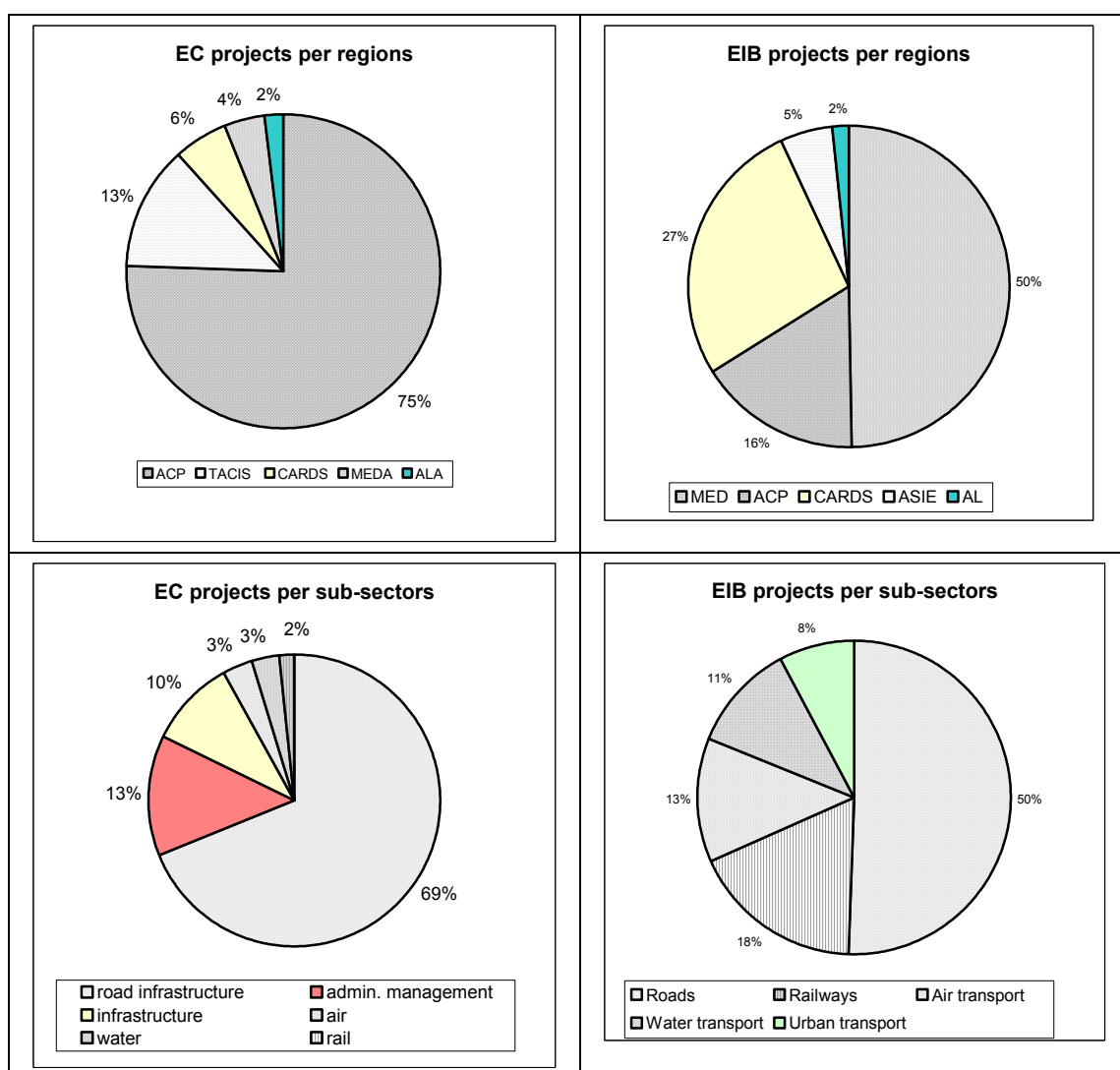
The EC and EIB financing

Although, as mentioned earlier, questions arise with respect to the reliability of the lists constituted on the basis of the CRIS database, the joint lists of EC and EIB supported projects allow for a first orientation in terms of location (country, regional), mode, budgetary envelope and - to a lesser extent – activity (construction of a road, etc.).

This list also shows on which sectors and regions the EC and the EIB focus respectively, as summarised in the graphs below (which have to be read in relative terms only²¹).

²¹ This comparison between the distribution of the EC and EIB transport interventions among regions and transport sub-sectors has to be read in relative terms only. Indeed, the amounts referred to in these graphs are different: planned commitments for the EC, turnover for the EIB. Besides, the selected EC projects covered the period 1990-2001 (because the length of the process implied that a project for which commitments had been planned between 1990 and 1994 could be implemented between 1995 and 2001) whereas the selected EIB projects covered the period 1995-2001 (since the projects having led to a turnover between 1995 and 2001 are likely to be implemented during the same period). However, this comparison gives an interesting rough overview of the respective sectors and regions of focus for the EC and the EIB.

Graph 1 – EC and EIB projects by regions and by sub-sectors



Source: Based on the CRIS database.

3.2 Regional analysis

As can be seen in the chart above, 75% of the planned commitments for EC projects are directed towards ACP countries. The other financial commitments are allocated, in a decreasing direction, to TACIS, CARDS, MEDA and ALA regions. It is also interesting to see how these EC interventions are shared among the various sub-sectors in each region.

ACP region

The following tables show how EC projects are split by sub-sectors and by type of interventions in the ACP region.

Table 5 - EC projects by sub-sectors in the ACP region

ACP	Planned commitments	%	Number of projects
Road infrastructure	3.209.408.047	84,5%	470
Admin. management	353.679.443	9,3%	83
Air	74.470.859	2,0%	0
Water	94.316.917	2,5%	57
Rail	66.138.554	1,7%	16
Total	3.798.013.820	100%	626

Source: Based on the CRIS database.

The following types of intervention were considered:

1. Large investment projects (constructions, works);
2. Other investment projects (rehabilitation, upgrading, development, maintenance);
3. Technical assistance, capacity building (incl. policy advice) and institutional support;
4. Studies (impact assessment, appraisals, (pre-) feasibility, technical);
5. Evaluations and audits;
6. Support to programmes including budgetary support (e.g. structural adjustment in the transport sector);
7. Conferences, round tables, workshops.

Table 6 - Types of EC projects in ACP countries

ACP	Large investment projects	Other investment projects	TA&Institutional support	Studies	Evaluations & audits	Support to programmes	Workshops	Non identifiable
Road	60	127	62	110	6	26	0	14
Water	2	14	18	9	1	2	1	6
Air	3	13	20	10	0	0	0	7
Rail	0	1	5	4	2	2	0	0
Urban	1	6	2	5	0	0	0	1
Rural	2	4	2	4	0	1	0	5
Sectoral	0	0	41	7	3	20	3	0
Total	68	165	150	149	12	51	4	33

NB: the numbers of this table have to be read in a relative manner since the same project often targets different types of interventions, so it may be counted several times.

This exercise allows pointing out the following characteristics of EC interventions in the transport sector in ACP countries:

- More than 80% of the projects on the list target the road sector. EC interventions in this mode take mainly the form of investment in the rehabilitation and maintenance of the road network, followed by technical assistance and studies.
- After the road sub-sector, the sub-sector receiving the most grants is the “administrative management” sub-sector, which consists mainly of technical assistance and institutional support and studies.
- Projects in the water and air sectors take the form of technical assistance and institutional support most often or, at a lesser extent, medium or small-scale investments.
- Only 13 out of more than 600 projects have been financed by the EC in the railways Sector. No new rails are being constructed with EC funds.
- The few urban and rural projects consist mainly of developing roads.
- The EC assists in the design of sector-based policies, providing a budgetary support to sector wide programmes and reforms, in a large number of countries.
- Specific issues relevant for the transport sector are addressed in a very punctual way: environment in projects implemented in Jamaica, Gabon and Congo Brazzaville; labour-intensive methods in transport projects in Lesotho, Congo Brazzaville and in the Central African Republic; road safety is a concern of two projects in Lesotho; land resettlement is targeted in the island of St-Vincent-et-les-Grenadines, etc.

Other regions

Regarding other regions than ACP, less information is available. The designations of the sub-sectors to which the projects belong are much more vague, especially in the TACIS and CARDS countries. Besides, the lack of information in the original CRIS database does not enable to sort projects by type of interventions. However, it is interesting to see how the resources are roughly shared among the various sub-sectors.

Table 7 – EC projects by sub-sectors in the TACIS region

TACIS	Planned commitments	%	Number of projects
Transport	357.633.844	56%	58
Infrastructure	240.333.737	38%	26
Administrative management	40.389.458	6%	30
Total	638.357.039	100%	114

Source: Based on the CRIS database.

This table does not give much information on the allocation of projects among the sub sectors but it shows at least how imprecise the names of these sub-sectors are in the CRIS database.

For interventions in Central Asia, the consultants have used information provided by the Unit in charge of Energy, Transport and Infrastructure (AidCo A/4) to draw an approximate picture of the EC transport interventions, which are mostly of a regional nature. Projects covered by the TRACECA programme concentrate mainly on technical assistance (including studies, forecasts and assessments of actual and future needs, for example trade flows, as well as institutional support for maintenance of infrastructure) provided for all the countries in the region for the road, rail and maritime transport modes. Emphasis has been put on harmonisation of transport regulatory framework, customs and cross-border procedures between the Central Asian and Caucasus countries, in order to facilitate trade.

Table 8 – EC projects by sub-sectors in the CARDS region

CARDS	Planned commitments	%	Number of projects
Transport	125.189.069	45%	26
Infrastructure	76.166.121	27%	18
Administrative management	51.416.784	18%	33
Road infrastructure	27.087.610	10%	4
Total	279.859.584	100%	81

Source: Based on the CRIS database.

In the case of the CARDS region, the designation of the sub-sectors is not clear either, as the sub-sector “transport” gathers very different types of activities. However, it tends to show that priority has been given to investments in infrastructure.

Table 9 – EC projects by sub-sectors in the MEDA region

MEDA	Planned commitments	%	Number of projects
Road infrastructure	154.684.648	75%	2
Water	28.409.651	14%	2
Infrastructure	21.600.000	11%	3
Administrative management	931.057	0,5%	4
Total	205.625.356	100%	11

Source: Based on the CRIS database.

The reason why the road sub-sector is by far the most important one in 1995-2001 in the MEDA region is mainly due to the exceptional contribution of the EC to the construction in Morocco of the “Rocade méditerranéenne” and of rural tracks connecting this road to rural areas.

Table 10 – EC projects by sub-sectors in the ALA region

ALA	Planned commitments	%	Number of projects
Road infrastructure	50.900.000	57%	2
Infrastructure	25.000.000	28%	2
Water	8.855.000	10%	2
Administrative management	2.906.850	3%	2
Rail	2.000.000	2%	1
Total	89.661.850	100%	9

Source: Based on CRIS database.

In the ALA region, interventions of the EC in the transport sector are quite recent and the commitments are limited as a whole. The sub-sector in which most investments are made is the road sector (e.g. road project in Bolivia).

3.3 Project-related documentation

Project-related literature complements information extracted from the CRIS database. It is a source of information for indicators on the relevance and efficiency of EC activities in the transport sector.

This large documentation provides:

- Identification material (pre-feasibility and feasibility studies with needs assessment);
- Contractual documents (financing proposals and financing agreements including the project's logical framework, describing the components of the projects with their explicitly stated objectives and assumptions); and
- Performance literature (monitoring and evaluation, impact assessment; indicators to monitor project benefits, results, activities and assumptions).

EC interventions in the transport sector take place in a very specific institutional, political, economical and social context. The definition of this context allows checking the assumptions and conditions, in which they are set up. In this respect, baseline information collected in the identification phase, both quantitative and qualitative, is very valuable.